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**MFMA SECTION 71 REPORT MONTH ENDING**

**31 JANUARY 2026**

- DISTRIBUTION:

- Executive Mayor: **Mr. Motloheloa Ellis Mokatsane**

- Acting Municipal Manager: **Mrs Halio Portia Tshabalala**

- Acting Chief Financial Officer: **Dr Jimmy Maswanganyi**

- Sector Departments: **National and Provincial Departments**

- **Upload to the National Treasury GoMuni Portal**

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## **List of Abbreviations and Acronyms used in the Monthly Budget Statement**

AFS – Annual Financial Statements  
AGSA - Auditor-General of South Africa  
BTO - Budget and Treasury Office  
CAPEX – Capital Expenditure  
CFO - Chief Financial Officer

## **PART 1: IN-YEAR REPORT FOR THE PERIOD ENDING 31 JANUARY 2026**

### **TO: THE EXECUTIVE MAYOR**

#### **1. Purpose**

DIRECTORATE: FINANCIAL SERVICES: BUDGET & TREASURY OFFICE: MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): SECTION 71: IN-YEAR MONTHLY BUDGET STATEMENT: S71 MONTHLY REPORT FOR THE PERIOD ENDING 31 JANUARY 2026

The purpose of this report is to comply with section 71 of the MFMA and the requirements as promulgated in the Government Gazette No 32141 of 17 May 2009 by the submission of a monthly budget statement to the Executive Mayor, National and Provincial Treasury containing prescribed financial performance particulars for that reporting month and for the financial year up to the end of that month, as legislated.

The municipality realises, the critical importance of having a minimum 3 month's cash coverage which is a sound directive and required norm from National Treasury. This has been the focus of the municipality for the past few months to ensure that Moqhaka Local Municipality recovers fully to ensure its sustainability and financial viability. Serious actions will have to be taken to realise this target and Council's buy-in be secured, to the turn the municipality around is critically important. The municipality's main goal is to remain positive and committed in stabilising the municipality, improving its cash position and improving on quality service being rendered.

Currently, the total debtor's book is standing at R2 025 247 171, of which 91% of the debt is owed more than 90 days totalling R1 839 533 680. Included in the total debt, R147 606 173 is owed by Government or Organs of State, R236 501 344 by Business and R1 505 521 495 by Households. Included in the Households debt is R293 315 857 by Indigent Households. The municipality continues to urge its debtors to meet their obligation to the municipality or make payment arrangements. The cash collection is improving to a desired level, and this does bode well for the municipality's financial position. There needs to be a major paradigm shift in the payment culture across all customer groups.

This can only be achieved when the Debt Collection and Credit Control Policy are strictly, consistently and fairly applied to all customer groups. Consumers that are not paying for services are reminded that no municipality will remain sustainable and functional, if it expects to provide "services for free". And in the same breath, the municipality must employ all measures to ensure that customers receive quality and reliable services. The value of providing these services, should never be underestimated by the municipality, as there is a direct correlation between providing quality services and consumers' willingness to pay.

Tough decisions must be taken with support from the political leadership to have a meaningful impact and produce positive results. This action is long overdue, especially considering the municipality's financial crisis and major threat to its financial viability and sustainability. For the municipality to thrive, overall performance must improve, the quality of services rendered must improve, accountability must be enforced which must be complimented by strict consequence management. Serious consideration should be given to the service delivery and financial implications of all decisions taken.

Ensure that legislations/acts, regulations, circulars, by-laws and policies are adhered to diligently, consistently and fairly. Enhance revenue collection and ensure that operational and capital funds are spent effectively with good value for money. Improving on preventative maintenance

and spending funds cost-effectively and efficiently to address service delivery challenges can no longer be delayed, we have noted an increase in emergency maintenance which seems excessive, as no competitive bidding is taking place, because of the impact of asset failure on service delivery.

We are striving to ensure assets are maintained at desired levels and are being utilised optimally. The spending of funds will have to be prioritised, wastage be curbed, and overall personnel performance and productivity be monitored and improved. Municipal officials should also take all reasonable steps to prevent unauthorised, irregular and fruitless and wasteful expenditure and to refrain from committing acts of financial misconduct and/or criminal offences as per Chapter 15 of the MFMA.

It is imperative that all municipal officials must have the inherent desire to do their job to the best of their ability, ensure the full payment of services accounts, take pride and ownership in their work, take accountability for their job functions, doing the right thing consistently and work as a collective, cohesive team to achieve the municipality's strategic objectives. Foremost to all of these, have the community's best interest at heart.

## **2. Background**

Section 71 of the MFMA and in terms of Government Notice 32141 dated 17 May 2009, regarding the "Local Government: Municipal Finance Management Act 2003 and the Municipal Budget and Reporting Regulations" necessitates those specific financial particulars be reported on and in the format prescribed, hence this report to meet legislative compliance. "The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required Tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act." Further, Section 71 of the MFMA requires that, "the accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality, and the relevant national and provincial treasury, a statement in the prescribed format on the state of the municipality's budget reflecting certain particulars for that month and for the financial year up to the end of that month." For the reporting period ending 31 January 2026, the ten-working day reporting limit expires on Friday the 13<sup>th</sup> of February 2026.

## **3. Executive summary**

The Statement of Financial Performance is prepared on the prescribed monthly C-schedules, detailing Revenue by source and Expenditure by type. The consolidated summary of the financial performance is indicated in Table 1 below:

Table 1. Consolidated summary: Statement of Financial Performance: YTD Budget

Description	YTD Budget to Jan 26	YTD Actual to Jan 26	Variance Favourable (Unfavourable)	% YTD Budget vs YTD Actual	% Variance vs Actual Favourable (Unfavourable)
Total Revenue (Excluding Capital Transfers and Contributions)	R875 045 532	R769 434 809	(R105 610 723)	88%	(12%)
Total Revenue including Capital Transfers and Contributions	R875 125 074	R769 514 351	(R105 610 723)	88%	(12%)
Total Operational Expenditure	R814 350 000	R540 594 000	(R273 756 000)	66%	(34%)

As indicated in Table 1 above, as of 31 January 2026, the actual billed revenue including operational transfers, but excluding capital grants amounted to R769 434 809, which resulted in an unsatisfactory variance of 12% when compared to YTD Budget of R875 045 532. The billed revenue does not include capital grants. Capital Grants are recognised in the Statement of Financial Performance, monthly as soon as the conditions of the grant have been met. Reason. Actual revenue inclusive of Capital Grants was R769 514 351 from the budget of R875 125 074. The Total Operational Expenditure amounted to R540 594 000 versus the YTD Budget of R814 350 000, resulting in a unsatisfactory variance of 66%.

Please note that certain Revenue by source and Expenditure by type categories are showing excessive negative and/or positive variances. This is because the YTD budgets were all systematically determined on a straight-line basis by dividing the total budget per category per line item by 100%. The capital projections were also done in the same fashion. Please note that variances within a 5 to 10 percent range, as prescribed by National Treasury are acceptable and need not necessarily be explained.

#### 4. Budget Performance Overview

The municipality is implementing the approved budget for 2025/26 financial year. The budget for 2025/26 is not funded, but the budget funding plan was approved by council, as it encapsulates the recommendations for the improvement of the collection rate. Overall, operational revenue collection is unsatisfactorily at 72% against monthly billing inclusive of arrears, and inclusive of operational grants recognized, considering the warnings to restrict the electricity supply for consumers. Operational expenditure is 66% spent which is slightly under-spent with the contributing factors being depreciation, which is not provided for, the capturing of the 2024-2025 Eskom account and post-retirement health benefits which is not yet accounted for.

The municipality's Debt Relief application to National Treasury was approved, effective 1 December 2023. The municipality had engagement with Eskom to arrange for the outstanding debt amounting to R1 851 238 432,81. A repayment proposal will be submitted to Eskom for approval when the municipal council has resolved. The municipality is now making significant strides to settle the monthly current accounts to Eskom, as small payments towards the account are being made consistently whenever financially possible. During the month of January 2026, 'NO' payment was made to Eskom account. A cost containment policy has been implemented to control the administration of new orders, non-essential expenditure, pre-approve overtime and manage fuel consumption of municipal fleet.

The municipality was not successful in engaging the seven approved service providers by National Treasury on the RT29 transversal contract relating to the installation of smart water & electricity meters. Smart water meters were specifically earmarked for the areas where Eskom distributes electricity to improve collection in those areas. However, the Municipality has made an application to National Treasury to be included in the RT27-2024 Debt Collection Transversal Contract.

The municipality has an incentive policy to assist account holders to settle their outstanding accounts. The policy is implementable as follows:

Incentives for Households, Churches, NPOs, Farmers, Government, Schools, etc. (Excluding Business/Industrial)

- Discount of 10% for settlement of debt between R 3 000 to R 15 000
- Discount of 20% for settlement of debt between R 15 001 and R 30 000
- Discount of 30% for settlement of debt between R 30 001 and R 50 000
- Discount of 40% for settlement of debt between R 50 001 and R 150 000
- Discount of 50% for settlement of debt between R 150 001 and more

Incentives for Businesses/Industrial

- Discount of 10% for settlement of debt between R 30 000 to R 60 000
- Discount of 20% for settlement of debt between R 60 001 and R 100 000
- Discount of 30% for settlement of debt between R 100 001 and R 150 000
- Discount of 40% for settlement of debt between R 150 001 and R 250 000
- Discount of 50% for settlement of debt between R 250 001 and more

The municipality used to collect 60% from each electricity purchase for all accounts in arrears longer than the approved period, to improve collection as per the Debt Collection & Credit Control policy. Departments are engaged on a regular basis to recoup outstanding debt owed by Organs of State. The non-buying prepaid consumers must be urgently addressed, and the municipality is confident that the smart prepaid metering solution will assist the municipality tremendously in improving on its billing accuracy and ensuring cash inflows from prepaid sales. There were four debt collection companies that were appointed to assist with the debt collection challenges.

The municipality is meeting with the top different categories of Debtors to deal with their disputes, negotiating settlement amounts, encourage them to enter in payment arrangements and recommend possible solutions that will address their outstanding accounts.

**FS201 Moqhaka - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January**

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity		435 252	548 139	548 139	71 614	300 070	319 748	(19 677)	-6%	548 139
Service charges - Water		164 103	204 038	204 038	12 896	92 288	119 022	(26 734)	-22%	204 038
Service charges - Waste Water Management		72 624	73 321	73 321	6 163	43 397	42 770	627	1%	73 321
Service charges - Waste management		51 188	50 701	50 701	4 323	30 446	29 576	871	3%	50 701
Sale of Goods and Rendering of Services		5 678	8 764	8 764	701	2 936	5 112	(2 176)	-43%	8 764
Agency services								-		
Interest								-		
Interest earned from Receivables		86 303	78 687	78 687	8 168	56 101	45 901	10 201	22%	78 687
Interest from Current and Non Current Assets		39	63	63	-	-	37	(37)	-100%	63
Dividends		5 822	4 744	4 744	293	2 628	2 767	(140)	-5%	4 744
Rent on Land								-		
Rental from Fixed Assets		5 339	9 256	9 256	637	4 632	5 399	(767)	-14%	9 256
Licence and permits		-	-	-	-	-	-	-		-
Special rating levies								-		
Operational Revenue		7 419	14 960	14 960	(423)	(1 988)	8 727	(10 714)	-123%	14 960
<b>Non-Exchange Revenue</b>										
Property rates		93 605	94 806	94 806	8 233	57 559	55 304	2 256	4%	94 806
Surcharges and Taxes								-		
Fines, penalties and forfeits		4 755	5 784	5 784	69	626	3 374	(2 748)	-81%	5 784
Licence and permits		-	-	-	-	-	-	-		-
Transfers and subsidies - Operational		331 012	328 582	328 582	175	232 908	191 673	41 235	22%	328 582
Interest		10 024	8 373	8 373	858	5 825	4 884	941	19%	8 373
Fuel Levy								-		
Operational Revenue		888	(267)	(267)	78	544	(156)	699	-449%	(267)
Gains on disposal of Assets		(2 284)	-	-	-	-	-	-		-
Other Gains		7 254	-	-	-	-	-	-		-
<b>Discontinued Operations</b>										
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1 279 022</b>	<b>1 429 951</b>	<b>1 429 951</b>	<b>113 785</b>	<b>827 973</b>	<b>834 138</b>	<b>(6 165)</b>	<b>-1%</b>	<b>1 429 951</b>
<b>Expenditure By Type</b>										
Employee related costs		452 951	449 410	449 410	37 868	275 019	262 158	12 861	5%	449 410
Remuneration of councillors		22 444	29 484	29 484	1 841	13 140	17 199	(4 060)	-24%	29 484
Bulk purchases - electricity		486 867	428 185	423 185	806	60 606	247 900	(187 294)	-76%	423 185
Inventory consumed		17 948	26 574	27 679	3 195	19 021	15 686	3 335	21%	27 679
Debt impairment		78	61 096	61 096	-	-	35 639	(35 639)	-100%	61 096
Depreciation and amortisation		112 242	10 305	10 305	-	-	6 011	(6 011)	-100%	10 305
Interest		99 037	8 790	8 790	(120 045)	3 850	5 128	(1 278)	-25%	8 790
Contracted services		148 907	197 383	214 005	10 074	81 054	122 383	(41 329)	-34%	214 005
Transfers and subsidies		244	1 095	1 095	5	10	639	(629)	-98%	1 095
Irrecoverable debts written off		170 915	3 966	3 966	367	4 998	2 314	2 684	116%	3 966
Operational costs		179 769	170 482	169 657	12 620	82 903	99 256	(16 354)	-16%	169 657
Losses on Disposal of Assets		1 796	63	63	-	-	37	(37)	-100%	63
Other Losses		4 869	-	-	-	(6)	-	(6)	#DIV/0!	-
<b>Total Expenditure</b>		<b>1 698 065</b>	<b>1 386 834</b>	<b>1 398 736</b>	<b>(53 269)</b>	<b>540 594</b>	<b>814 350</b>	<b>(273 756)</b>	<b>-34%</b>	<b>1 398 736</b>

## Exchange and Non-Exchange Revenue

### Revenue analysis for the month ending 31 January 2026

Revenue Types	Section 71 of 31 January 2026						Seven Months Ending 31 January 2026				
	Annual Budget 2025/2026	Budget	Billing per GS 560	Billing vs Budget	(BS-566) Actual Income	Income vs Billing	Budget	Billing per GS 560	Billing vs Budget	(BM-310) Actual Income	Income vs Billing
Property rates	94 806 436	7 900 536	8 233 186	104%	8 753 386	106%	55 303 754	49 326 174	89%	51 774 635	105%
Electricity - conventional	384 403 973	32 033 664	31 758 870	99%	24 062 634	76%	224 235 651	202 478 567	90%	193 123 698	95%
Water	204 038 000	17 003 167	12 891 450	76%	4 242 585	33%	119 022 167	92 272 642	78%	41 521 616	45%
Sanitation	73 321 000	6 110 083	6 159 857	101%	2 716 590	44%	42 770 583	43 335 525	101%	25 567 327	59%
Refuse	50 701 046	4 225 087	4 323 251	102%	1 937 329	45%	29 575 610	30 446 135	103%	17 363 101	57%
<b>Total Direct Services</b>	<b>807 270 455</b>	<b>67 272 538</b>	<b>63 366 614</b>	<b>94%</b>	<b>41 712 524</b>	<b>66%</b>	<b>470 907 765</b>	<b>417 859 043</b>	<b>89%</b>	<b>329 350 377</b>	<b>79%</b>
Other revenue	130 363 518	10 863 627	2 823 148	26%	1 746 312	62%	76 045 386	18 816 542	25%	15 190 883	81%
<b>Revenue from Billed services</b>	<b>937 633 973</b>	<b>78 136 164</b>	<b>66 189 762</b>	<b>85%</b>	<b>43 458 835</b>	<b>66%</b>	<b>546 953 151</b>	<b>436 675 585</b>	<b>80%</b>	<b>344 541 260</b>	<b>79%</b>
Electricity - prepaid	163 735 027	13 644 586	14 200 142	104%	14 200 142	100%	95 512 099	100 178 942	105%	100 178 942	100%
<b>grants</b>	<b>1 101 369 000</b>	<b>91 780 750</b>	<b>80 389 904</b>	<b>88%</b>	<b>57 658 978</b>	<b>72%</b>	<b>642 465 250</b>	<b>536 854 527</b>	<b>84%</b>	<b>444 720 202</b>	<b>83%</b>
Operational grants and subsidies	6 877 000	175 325	175 325	0%-	175 325	100%	1 554 282	1 554 282	0%	1 554 282	100%
Equitable share	312 705 000	-	-	-	-	-	231 026 000	231 026 000	100%	231 026 000	100%
<b>Total Revenue</b>	<b>1 420 951 000</b>	<b>91 956 075</b>	<b>80 565 229</b>	<b>88%</b>	<b>57 834 302</b>	<b>72%</b>	<b>875 045 532</b>	<b>769 434 809</b>	<b>88%</b>	<b>677 300 484</b>	<b>88%</b>

### Comments on Section 71 Report.

Collection rate for waste water management is 44% for the month of January 2026 and 59% for the year to date.

Collection rate for waste management is 45% for the month of January 2026 and 59% for the year to date.

Collection rate for water is 33% for the month of January 2026 and 45% for the year to date.

The collection rate on Property Rates is 106% for the month of January 2026 and 105% for the year to date.

Vat is not considered as part of income in this report since it will be paid over to SARS.

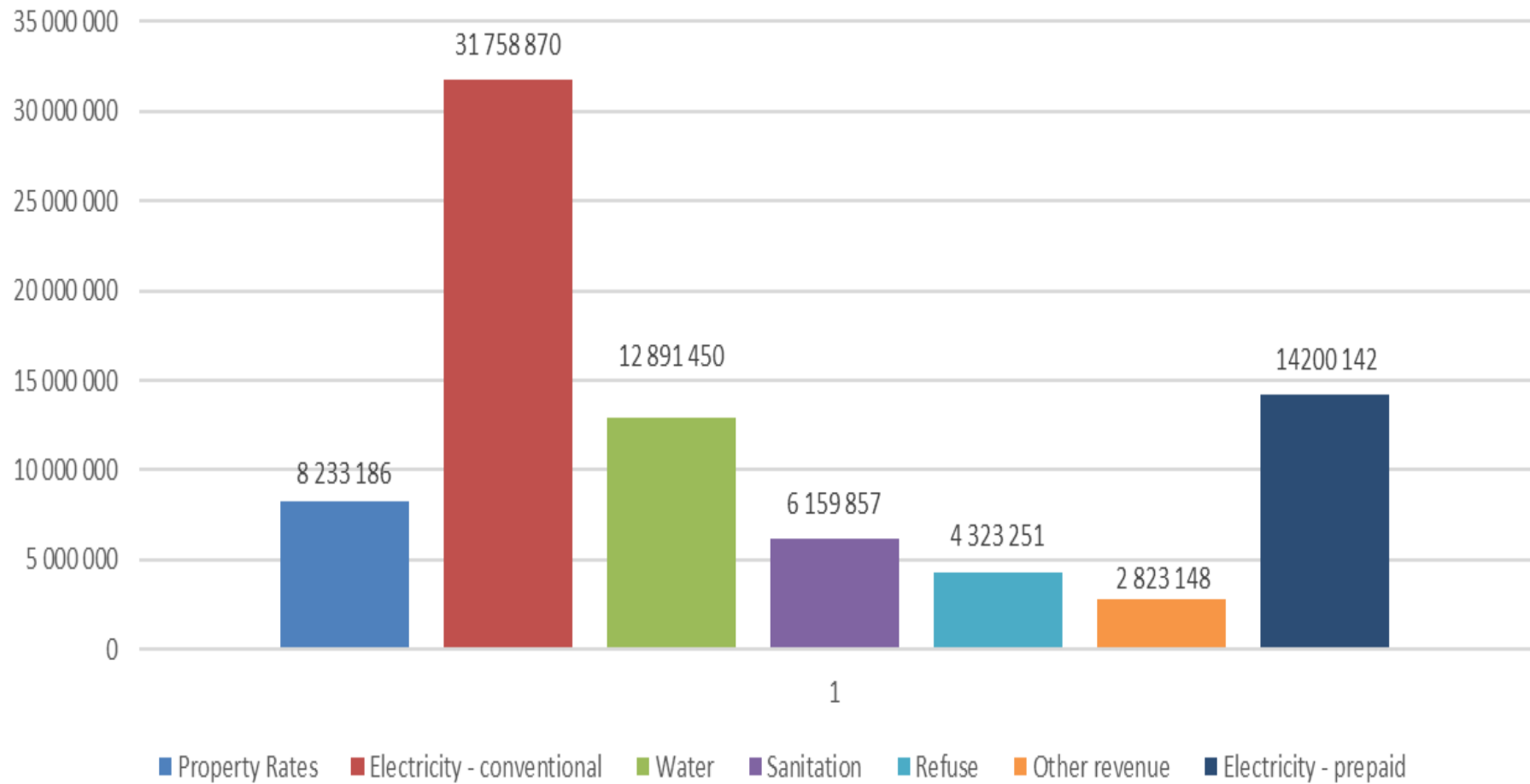
Conventional electricity revenue collection is 76% for the month of January 2026 and 95% for the year to date.

**Revenue before operational grants versus billing is 72% for the month of January 2026 and 83% for the year to date.**

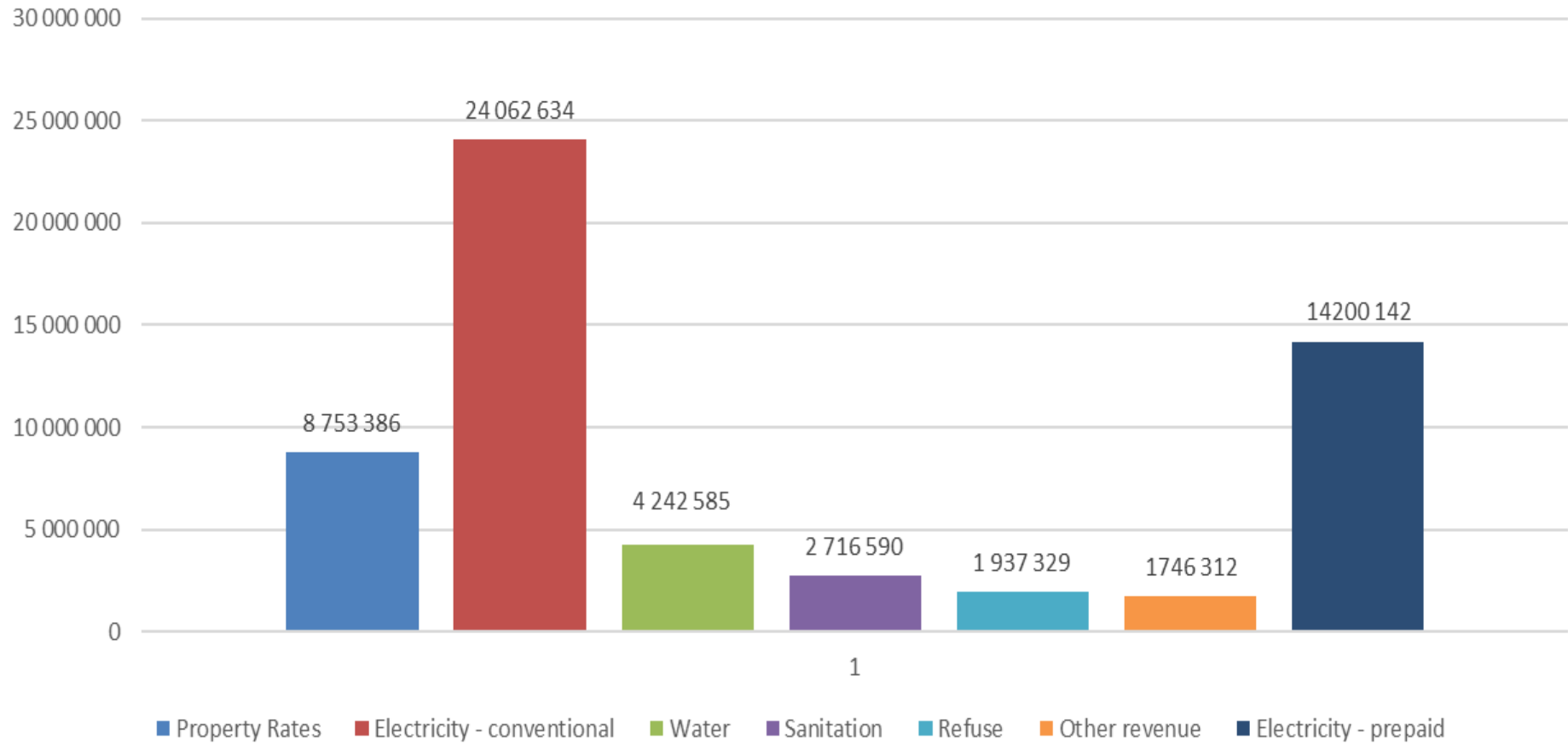
Total Revenue Collection Percentage with Zero or No Grant Funding received for the month of January 2026 is 72% and 88% for the period under review.

Indigents Contribution for Prepaid Electricity in January 2026 is R1 029 848.00 + R189 348.21 (FBE in Eskom Supplied Areas) = R1 219 196.21

## Billing Per Service



### Collection Per Service



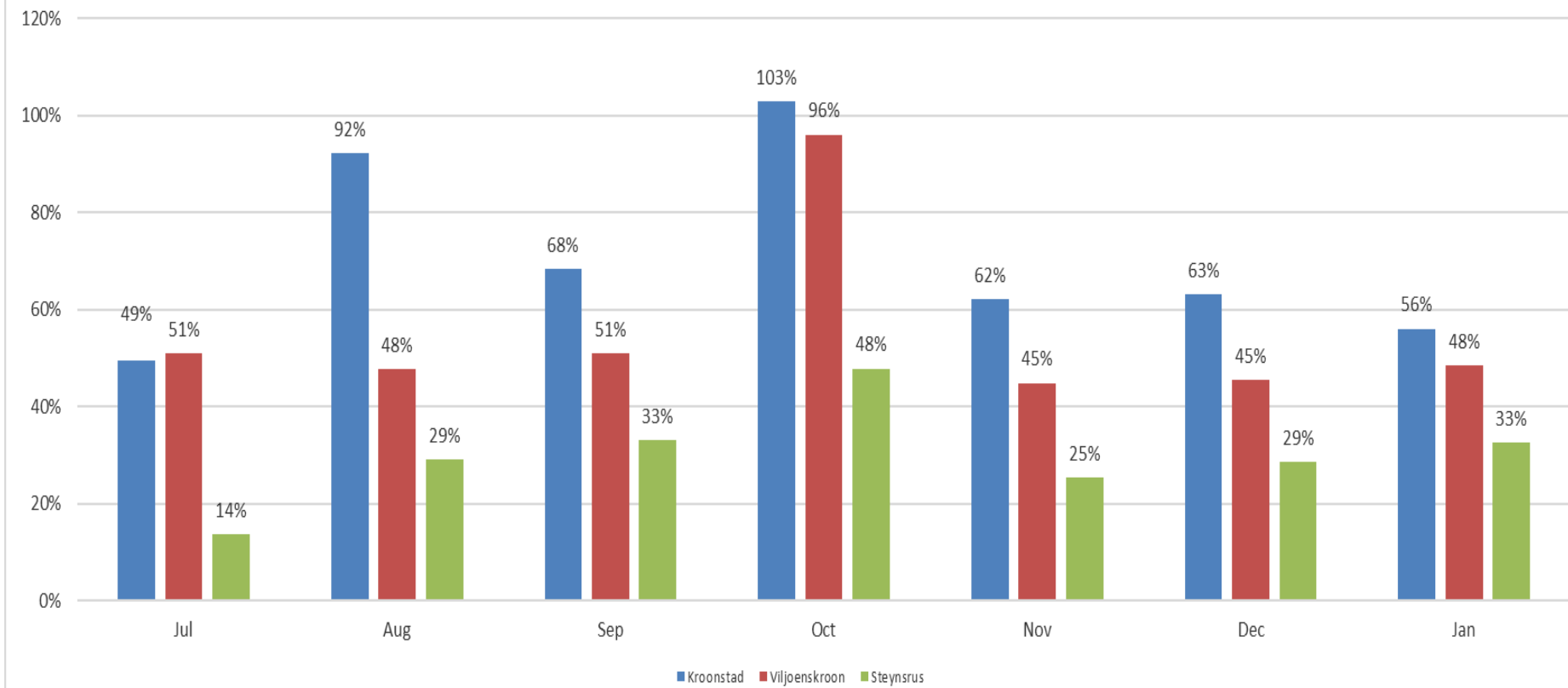
The January 2026 receipts amounted to R43 824 791.10 against billing of R81 308 891.04. That translates to 54% collection rate.

Cycle	Opening Balance	Charges Raised	Adjustments	Repayments	Deposits	Nett Movement	Receipts	Closing Balance	Collection	Billing vs Receipts
1	166 815 317.64	18 082 908.21	-1 582 814.29	44 034.78	43 097.00	16 587 225.70	-13 538 457.88	169 864 085.46	-82%	3 048 767.82
2	710 568 110.67	20 331 474.90	-6 760 342.97	63 254.25	55 809.00	13 690 195.18	-2 313 631.49	721 944 674.36	-17%	11 376 563.69
3	4 088 641.39	3 547 491.68	0.00	0.00	0.00	3 547 491.68	-4 085 284.00	3 550 849.07	-115%	-537 792.32
4	62 510 872.11	576 248.79	-209 722.11	80 500.00	0.00	447 026.68	-108 181.42	62 849 717.37	-24%	338 845.26
6	21 798 902.12	1 272 200.95	52 579.91	0.00	0.00	1 324 780.86	-1 538 768.27	21 584 914.71	-116%	-213 987.41
7	29 554 322.75	1 020 567.71	-282 086.51	0.00	1 790.00	740 271.20	-285 733.36	30 008 860.59	-39%	454 537.84
8	10 859 459.55	447 588.02	-22 667.78	0.00	895.00	425 815.24	-194 786.90	11 090 487.89	-46%	231 028.34
9	2 452 346.55	12 057.65	-793.51	0.00	0.00	11 264.14	-4 250.00	2 459 360.69	-38%	7 014.14
10	74 372 258.42	12 139 199.71	5 113 312.69	0.00	23 527.00	17 276 039.40	-8 211 492.26	83 436 805.56	-48%	9 064 547.14
11	101 233 903.40	3 151 171.21	-1 009 734.14	0.00	0.00	2 141 437.07	-697 683.77	102 677 656.70	-33%	1 443 753.30
13	664 810 827.10	12 464 048.91	-1 553 039.42	0.00	3 868.00	10 914 877.49	-2 273 023.69	673 452 680.90	-21%	8 641 853.80
14	8 283 237.76	5 382 488.37	0.00	0.00	0.00	5 382 488.37	-5 618 813.54	8 046 912.59	-104%	-236 325.17
15	7 541.01	67.89	0.00	0.00	0.00	67.89	0.00	7 608.90	0%	67.89
16	130 407 330.81	8 868 948.53	-56 022.92	1 859.53	5 125.00	8 819 910.14	-4 954 684.52	134 272 556.43	-56%	3 865 225.62
	1 987 763 071.28	87 296 462.53	-6 311 331.05	189 648.56	134 111.00	81 308 891.04	-43 824 791.10	2 025 247 171.22	-54%	37 484 099.94








**BILLING & REVENUE PER TOWN 01/07/2025 - 30/06/2026 (Excluding Pre-paid Electricity)**

Month	Kroonstad			Viljoenskroon			Steynsrus		
	Billing (BP135)	Receipts (BP135)	Percentage	Billing (BP135)	Receipts (BP135)	Percentage	Billing (BP135)	Receipts (BP135)	Percentage
Jul	74 098 465	36 626 043	49%	15 053 559	7 667 408	51%	2 316 015	315 862	14%
Aug	47 645 075	43 905 751	92%	16 459 051	7 853 509	48%	2 295 992	667 535	29%
Sep	61 980 876	42 320 998	68%	16 477 737	8 401 744	51%	2 239 267	738 884	33%
Oct	50 234 011	51 675 723	103%	9 743 048	9 359 808	96%	2 039 852	976 346	48%
Nov	60 263 238	37 509 520	62%	16 082 201	7 218 506	45%	2 277 994	578 838	25%
Dec	62 117 743	39 239 441	63%	16 663 008	7 580 042	45%	2 079 692	595 110	29%
Jan	62 870 020	35 235 270	56%	16 297 434	7 891 837	48%	2 141 437	697 684	33%
<b>Total</b>	<b>419 209 428</b>	<b>286 512 746</b>	<b>68%</b>	<b>106 776 037</b>	<b>55 972 854</b>	<b>52%</b>	<b>15 390 248</b>	<b>4 570 258</b>	<b>30%</b>

### Billing vs Collection



### PRE-PAID ELECTRICITY SALES 2025-2026 FINANCIAL YEAR

Month	Arrears	Cost of Units	Vat	Cash Tendered	Units Sold	FBE Value	% Movement
Jul	R0	R15 527 462	R2 328 890	R17 856 352	R6 351 290	R1 046 253	 <b>9%</b>
Aug	R0	R14 968 547	R2 245 078	R17 213 625	R6 162 357	R1 051 657	 <b>-4%</b>
Sep	R0	R13 554 176	R2 032 933	R15 587 109	R5 651 698	R1 039 402	 <b>-9%</b>
Oct	R0	R14 002 384	R2 100 151	R16 102 535	R5 797 385	R1 039 498	 <b>3%</b>
Nov	R0	R13 443 972	R2 016 410	R15 460 382	R5 610 387	R1 048 376	 <b>-4%</b>
Dec	R0	R14 482 259	R2 172 162	R16 654 421	R5 951 521	R1 032 357	 <b>8%</b>
Jan	R0	R14 200 142	R2 129 818	R16 329 961	R5 851 316	R1 029 848	 <b>-2%</b>
<b>Totals</b>	<b>R0</b>	<b>R100 178 942</b>	<b>R15 025 443</b>	<b>R115 204 385</b>	<b>R41 375 954</b>	<b>R7 287 391</b>	

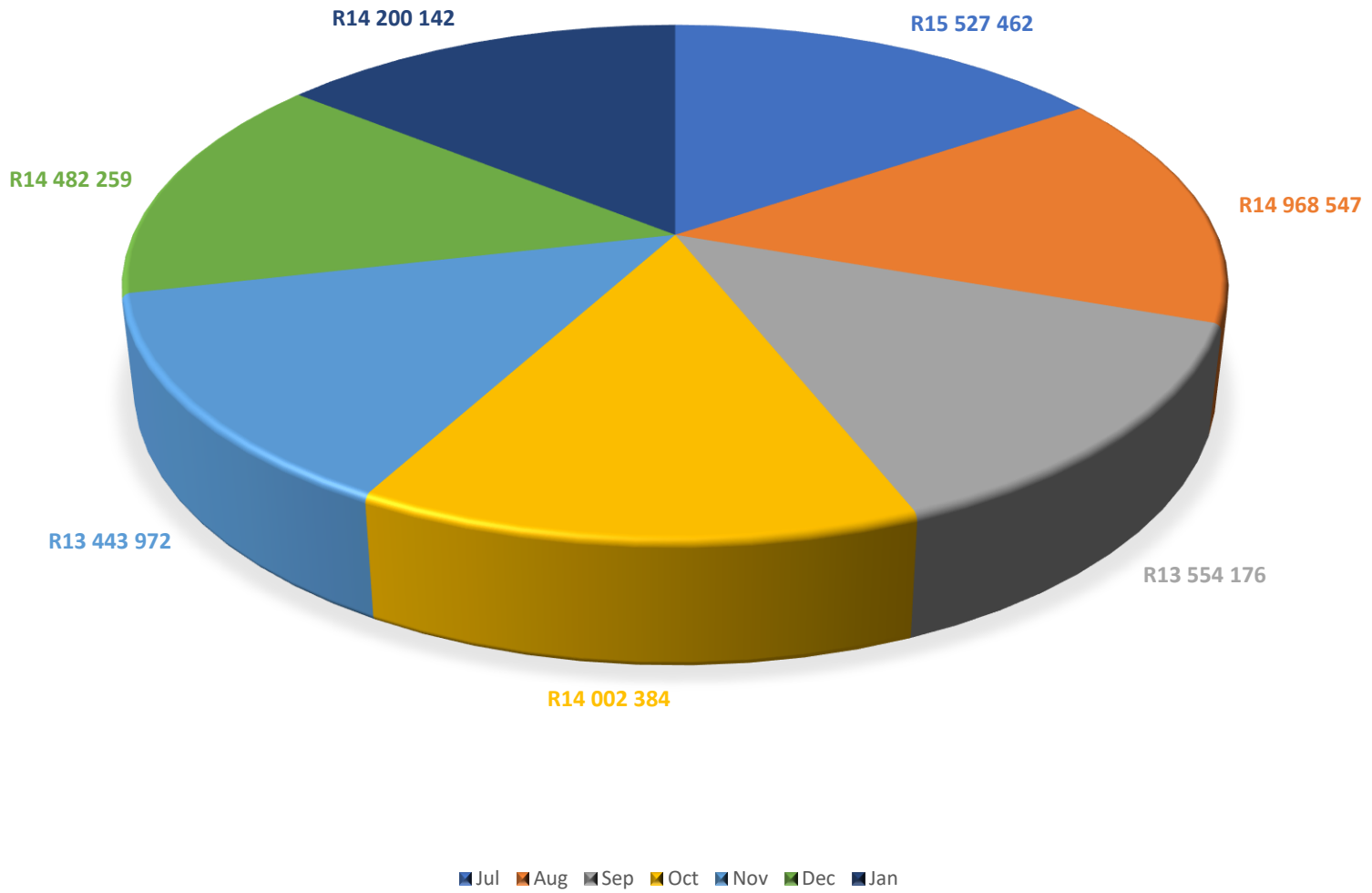
Billing for Kroonstad/Maokeng, Brentpark in January 2026 was R62.9m, Viljoenskroon/Rammolutsi was R16.3m and Steynsrus/Matlwangtlwang was R2 141 437.

The average Collection Rate for Kroonstad/Maokeng/Brentpark for January 2026 is 56% , Viljoenskroon/Rammolutsi is 48% & Steynsrus/Matlwangtlwang is 33%.

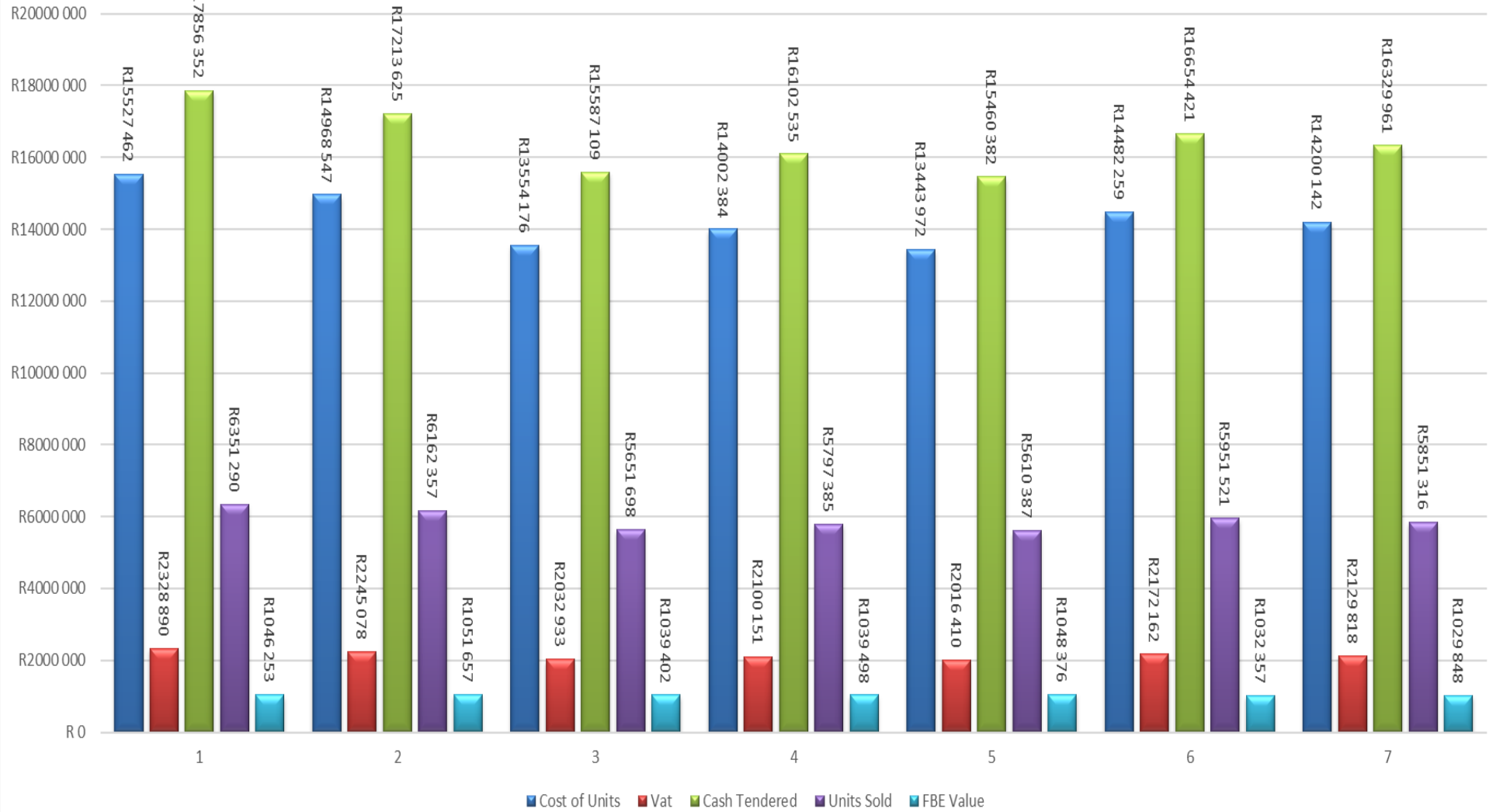
Kroonstad/Maokeng/Brentpark generated a revenue of R35.2m for January 2026, Viljoenskroon/Rammolutsi generated R7.9m & Steynsrus/Matlwangtlwang generated R697 684.

The cost of revenue generated through prepaid electricity for the month of January 2026 is R14 200 142. The electricity vendors are contributing to these sales.

### PREPAID ELECTRICITY SALES @ COST



## Prepaid Electricity Statistics



## 4.2 Operating expenditure by type

FS201 Moqhaka - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Expenditure By Type</b>										
Employee related costs		452 951	449 410	449 410	37 868	275 019	262 158	12 861	5%	449 410
Remuneration of councillors		22 444	29 484	29 484	1 841	13 140	17 199	(4 060)	-24%	29 484
Bulk purchases - electricity		486 867	428 185	423 185	806	60 606	247 900	(187 294)	-76%	423 185
Inventory consumed		17 948	26 574	27 679	3 195	19 021	15 686	3 335	21%	27 679
Debt impairment		78	61 096	61 096	-	-	35 639	(35 639)	-100%	61 096
Depreciation and amortisation		112 242	10 305	10 305	-	-	6 011	(6 011)	-100%	10 305
Interest		99 037	8 790	8 790	(120 045)	3 850	5 128	(1 278)	-25%	8 790
Contracted services		148 907	197 383	214 005	10 074	81 054	122 383	(41 329)	-34%	214 005
Transfers and subsidies		244	1 095	1 095	5	10	639	(629)	-98%	1 095
Irrecoverable debts written off		170 915	3 966	3 966	367	4 998	2 314	2 684	116%	3 966
Operational costs		179 769	170 482	169 657	12 620	82 903	99 256	(16 354)	-16%	169 657
Losses on Disposal of Assets		1 796	63	63	-	-	37	(37)	-100%	63
Other Losses		4 869	-	-	-	(6)	-	(6)	#DIV/0!	-
<b>Total Expenditure</b>		<b>1 698 065</b>	<b>1 386 834</b>	<b>1 398 736</b>	<b>(53 269)</b>	<b>540 594</b>	<b>814 350</b>	<b>(273 756)</b>	<b>-34%</b>	<b>1 398 736</b>

### Comparison against YTD Budget

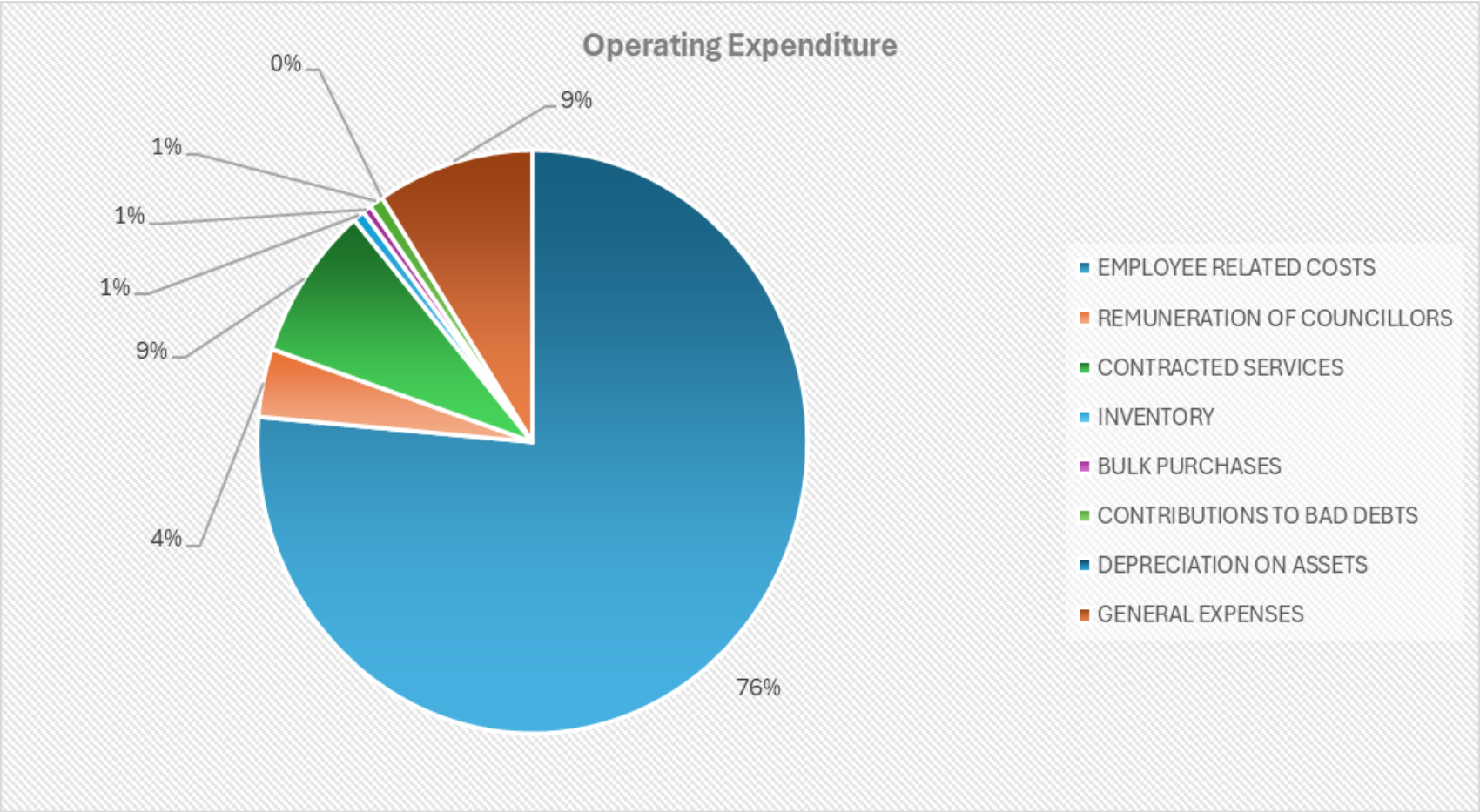
As indicated in the Table above, as at 31 January 2025, expenditure shows an unsatisfactory variance of minus 34%. The YTD actual amounted to R540 594 000 against the YTD budget of 814 350 000.

- Employee related costs show a satisfactory variance of 5%. Post-retirement benefit obligations are not factored in and will only be finalised as part of year-end procedures.
- Remuneration of councillors is showing an unsatisfactory variance of minus 24%.
- Bulk purchases – Electricity is showing an unsatisfactory variance of minus 76%.

- The expenditure on Inventory consumed is showing an satisfactory variance 21%. Expenditure for the first month of the year is normally low, due later re-opening of the financial year after year-end closure.
- The major backlog and deterioration of infrastructure is negatively influencing the Repairs & Maintenance expenditure line items. Deviations and re-directing of funds to manage crisis's is severely and rapidly depleting the R&M budget, impeding on the funds required for day-to-day maintenance. Lack of maintenance plans and planned maintenance is impeding on the municipality's ability to maintain assets optimally.

There are limited resources available with severe budgetary constraints with the current cash flow position putting major strain on the municipality's finances to actually address service delivery challenges. The municipality is obligated to ensure that tariffs are cost-reflective whilst ensuring that tariff increases are inflationary related as prescribed by NT's annual MFMA Budget circulars. This is a major impediment for the municipality to increase the R&M budget to a desired level to actually address backlogs, whilst employee costs, provision for bad debts and other expenditure is putting further strain on the budgets each year.

- Depreciation was projected for on a straight-line basis, as part of year-end procedures. The municipality is currently engaging our service provider to make use of the available Asset module on the financial system for integration.
- Interest is showing an unsatisfactory variance of minus 25%, due to the Interest on External borrowing being paid monthly and the first instalment for the current financial year was paid during July 2024. All Interest paid on overdue accounts must be recognized as Fruitless and Wasteful expenditure in the Annual Financial Statements.
- Expenditure on Contracted services is showing an unsatisfactory variance of minus 34%.
- Transfers and subsidies showing negative variance of minus 98%, due to non-expenditure & no commitment to show movement.
- Operational cost is showing an unsatisfactory variance of minus 16% as a result of the following line items under Operational Cost (OC)
- Costs are incurred for Professional Bodies membership & Subscriptions, for predominantly annual SALGA membership fees.



<b>OPERATING EXPENSES</b>					
<b>DESCRIPTION</b>	<b>Annual Budget 2025/2026</b>	<b>Actual 31-Dec-25</b>	<b>YTD 31-Dec-25</b>	<b>Variance (Unspent Budget)</b>	<b>% Exp</b>
EMPLOYEE RELATED COSTS	449 409 838,00	37 868 310,35	275 018 968,80	174 390 869,20	<b>61,20</b>
REMUNERATION OF COUNCILLORS	29 484 431,00	1 840 532,87	13 139 641,22	16 344 789,78	<b>44,56</b>
BULK PURCHASES	423 185 402,00	806 374,08	60 605 820,25	362 579 581,75	<b>14,32</b>
INVENTORY	27 679 038,00	3 195 320,35	19 020 611,18	8 658 426,82	<b>68,72</b>
DEPRECIATION ON ASSETS	10 282 705,00	-	-	10 282 705,00	-
INTEREST	8 790 312,00	-120 045 000,00	3 850 000,00	4 940 312,00	<b>43,80</b>
CONTRACTED SERVICES	214 004 621,00	10 073 692,98	81 054 384,78	132 950 236,22	<b>37,88</b>
TRANSFERS AND SUBSIDIES	1 095 158,00	5 000,00	10 000,00	1 085 158,00	<b>0,91</b>
CONTRIBUTIONS TO BAD DEBTS	3 966 284,00	366 606,73	4 997 771,12	-1 031 487,12	<b>126,01</b>
OPERATIONAL EXPENDITURE	151 142 436,00	11 482 684,04	73 796 034,36	77 346 401,64	<b>48,83</b>
OPERATING LEASES	18 515 003,00	1 137 694,26	9 104 753,39	9 410 249,61	<b>49,18</b>
<b>TOTAL EXPENDITURE (NETT)</b>	<b>1 337 555 228,00</b>	<b>-53 268 784,34</b>	<b>540 597 985,10</b>	<b>796 957 242,90</b>	<b>40,42</b>
<b>DESCRIPTION</b>	<b>Annual Budget 2025/2026</b>	<b>Actual 31-Dec-25</b>	<b>YTD 31-Dec-25</b>	<b>Variance</b>	
<b>OUTSOURCE SERVICES</b>					-
OS: BURIAL SERVICES	286 227,00	34 950,00	42 350,00	243 877,00	<b>14,80</b>
OS: B&A HUMAN RESOURCES	0,00	0,00	0,00	0,00	-
OS: B&A OCCUPATIONAL HEALTH & SAFETY	0,00	0,00	0,00	0,00	-
OS: B&A ORGANISATIONAL	0,00	0,00	0,00	0,00	-
OS: B&A PROJECT MANAGEMENT	1 984 127,00	59 128,78	588 500,14	1 395 626,86	<b>29,66</b>
OS: B&A RESEARCH & ADVISORY	923 138,00	0,00	21 120,00	902 018,00	<b>2,29</b>
OS: B&A QUALIFICATION VERIFICATION	0,00	0,00	0,00	0,00	-
OS: B&A VALUER	3 285 468,00	32 173,91	193 043,46	3 092 424,54	<b>5,88</b>
OS: CATERING SERVICES	1 281 869,00	29 500,00	220 360,72	1 061 508,28	<b>17,19</b>
OS: CLEANING SERVICES	216 757,00	13 494,95	60 672,20	156 084,80	<b>27,99</b>
OS: ELECTRICAL	19 029 252,00	668 937,70	4 046 760,96	14 982 491,04	<b>21,27</b>
OS: ILLEGAL DUMPING	547 578,00	20 040,48	331 705,47	215 872,53	<b>60,58</b>
OS: MEDICAL SERVICES (HEALTH SERV &	580 742,00	0,00	0,00	580 742,00	-
OS: PERSONNEL & LABOUR	12 608 300,00	2 160,69	2 807 244,94	9 801 055,06	<b>22,27</b>
OS: CONNECT/DIS-CONNECTION: ELECTICI	9 757,00	0,00	0,00	9 757,00	-
OS: TRAFFIC FINES MANAGEMENT	174 997,00	0,00	21 840,00	153 157,00	<b>12,48</b>
OS: TRANSPORT SERVICES	0,00	0,00	0,00	0,00	-
<b>SUB TOTAL : OUTSOURCE SERVICES</b>	<b>40 928 212,00</b>	<b>860 386,51</b>	<b>8 333 597,89</b>	<b>32 594 614,11</b>	<b>20,36</b>
<b>CONSULTANTS AND PROFESSIONAL SERVICES</b>					-
C&PS: B&A AIR POLLUTION	100 000,00	0,00	0,00	100 000,00	-
C&PS: B&A AUDIT COMMITTEE	210 276,00	0,00	103 374,73	106 901,27	<b>49,16</b>
C&PS: B&A BUSINESS & FIN MANAGEMENT	4 900 000,00	0,00	0,00	4 900 000,00	-
C&PS: B&A HUMAN RESOURCES	4 088 969,00	0,00	681 514,34	3 407 454,66	<b>16,67</b>
C&PS: B&A MEDICAL EXAMINATIONS	1 000 000,00	0,00	404 201,40	595 798,60	<b>40,42</b>
C&PS: B&A OCCUPATIONAL HEALTH & SAFE	484 938,00	245,00	4 645,00	480 293,00	<b>0,96</b>
C&PS: B&A PROJECT MANAGEMENT	32 402 470,00	397 915,39	19 535 541,76	12 866 928,24	<b>60,29</b>
C&PS: B&A PROJ MAN(COMM CRISIS)	0,00	0,00	0,00	0,00	-
C&PS: B&A PROJ MAN(TRAI & AWARE)	0,00	0,00	0,00	0,00	-
C&PS: B&A PROJ MAN(COMM CRISIS)	500 000,00	0,00	0,00	500 000,00	-
C&PS: B&A PROJ MAN(EMERG RESPOND)	1 000 000,00	0,00	0,00	1 000 000,00	-
C&PS: B&A RESEARCH & ADVISORY	5 500,00	0,00	0,00	5 500,00	-
C&PS: B&A SYSTEM SUPPORT	20 880,00	0,00	0,00	20 880,00	-
C&PS: I&P ENGINEERING CIVIL	1 617 156,00	0,00	0,00	1 617 156,00	-
C&PS: I&P LAND & QUANTITY SURVEYORS	150 000,00	0,00	0,00	150 000,00	-
C&PS: I&P LAND SCAPE DESIGNER	374 796,00	0,00	0,00	374 796,00	-
C&PS: I&P TOWN PLANNER	130 000,00	0,00	0,00	130 000,00	-
C&PS: LAB SERV WATER	5 314 187,00	521 208,23	3 134 262,03	2 179 924,97	<b>58,98</b>
C&PS: LEGAL COST ADVICE & LITIGATION	7 500 000,00	144 585,00	-292 106,53	7 792 106,53	<b>-3,89</b>
C&PS: LEGAL COST ISSUE OF SUMMONS	300 000,00	0,00	0,00	300 000,00	-
C&PS: LEGAL COST COLLECTION	1 429 296,00	36 931,19	383 617,58	1 045 678,42	<b>26,84</b>

<b>SUB TOTAL : CONSULTANT AND PROF SERV</b>	<b>61 528 468,00</b>	<b>1 100 884,81</b>	<b>23 955 050,31</b>	<b>37 573 417,69</b>	<b>38,93</b>
CONTRACTORS					-
CONTR: ARTISTS & PERFORMERS	55 230,00	0,00	0,00	55 230,00	-
CONTR: BUILDING CONTRACTORS	1 438 062,00	0,00	138 240,00	1 299 822,00	<b>9,61</b>
CONTR: CATERING SERVICES	164 273,00	0,00	17 100,00	147 173,00	<b>10,41</b>
CONTR: EMPLOYEE WELLNESS	657 094,00	0,00	152 520,00	504 574,00	<b>23,21</b>
CONTR: EVENT PROMOTERS	200 000,00	0,00	0,00	200 000,00	-
CONTR: FIRE SERVICES	0,00	0,00	0,00	0,00	-
CONTR: GARDENING SERVICES	140 068,00	0,00	0,00	140 068,00	-
CONTR: INTERIOR DECORATOR	219 031,00	0,00	0,00	219 031,00	-
CONTR: INSPECTION FEES	1 879 353,00	137 390,40	964 950,01	914 402,99	<b>51,34</b>
CONTR: MAINT OF BUILDINGS & FACILIT	15 985 864,00	77 827,23	924 595,10	15 061 268,90	<b>5,78</b>
CONTR: MAINTENANCE OF EQUIPMENT	7 051 852,00	126 010,73	1 183 931,82	5 867 920,18	<b>16,79</b>
CONTR: MAINTENANCE OF EQUIPMENT (FLE	3 774 643,00	125 135,96	1 020 079,54	2 754 563,46	<b>27,02</b>
CONTR: MAINTENANCE FLEET	13 793 793,00	457 812,43	5 141 080,34	8 652 712,66	<b>37,27</b>
CONTR: PEST CONTROL & FUMIGATION	114 273,00	0,00	0,00	114 273,00	-
CONTR: PLANTS FLOWERS & OTH DECORATI	47 165,00	0,00	0,00	47 165,00	-
CONTR: PREPAID ELECTRICITY VENDORS	13 000 000,00	944 263,26	11 006 857,61	1 993 142,39	<b>84,67</b>
CONTR: SAFEGUARD & SECURITY	42 000 000,00	5 455 346,22	18 983 950,97	23 016 049,03	<b>45,20</b>
CONTR: TRAFFIC & STREET LIGHTS	11 027 240,00	788 635,43	9 232 431,19	1 794 808,81	<b>83,72</b>
<b>SUB TOTAL : CONTRACTORS</b>	<b>111 547 941,00</b>	<b>8 112 421,66</b>	<b>48 765 736,58</b>	<b>62 782 204,42</b>	<b>43,72</b>
<b>CONTRACTED SERVICES</b>	<b>214 004 621,00</b>	<b>10 073 692,98</b>	<b>81 054 384,78</b>	<b>132 950 236,22</b>	<b>37,88</b>
<b>OPERATIONAL COST</b>					
OC: ADV/PUB/MARK - CORP & MUN ACTIVI	2 063 944,00	149 711,25	276 119,25	1 787 824,75	<b>13,38</b>
OC: ADV/PUB/MARK - MUNICIPAL NEWSLET	800 000,00	0,00	281 732,60	518 267,40	<b>35,22</b>
OC: ADV/PUB/MARK - SIGNS	358 000,00	0,00	0,00	358 000,00	-
OC: ADV/PUB/MARK - STAFF RECRUITMENT	328 547,00	0,00	199 211,94	129 335,06	<b>60,63</b>
OC: ADV/PUB/MARK - TENDERS	230 640,00	0,00	13 738,45	216 901,55	<b>5,96</b>
OC: AUDIT COST: EXTERNAL	11 247 482,00	0,00	6 422 953,84	4 824 528,16	<b>57,11</b>
OC: BC/FAC/C FEES - BANK ACCOUNTS	1 329 408,00	191 227,33	820 167,80	509 240,20	<b>61,69</b>
OC: COMMISSION - THIRD PARTY VENDORS	18 440 000,00	2 387 483,08	5 593 653,01	12 846 346,99	<b>30,33</b>
OC: COMM - CELL CONTRACT (SUBS & CAL	0,00	0,00	0,00	0,00	-
OC: COMM - LICENCES (RADIO & TELEVIS	83 447,00	0,00	0,00	83 447,00	-
OC: COMM - POSTAGE/STAMPS/FRANKING M	2 100 000,00	0,00	435 586,49	1 664 413,51	<b>20,74</b>
OC: COMM - RADIO & TV TRANSMISSIONS	0,00	0,00	0,00	0,00	-
OC: COMM - SMS BULK MESSAGE SERVICE	0,00	0,00	0,00	0,00	-
OC: COMM - PHONE FAX TELEGRAPH & TEL	2 500 000,00	204 745,83	619 373,38	1 880 626,62	<b>24,77</b>
OC: CONTR TO PROV - REHAB LANDFILL S	93 255,00	0,00	0,00	93 255,00	-
OC: DEEDS	329 402,00	1 910,40	33 516,29	295 885,71	<b>10,17</b>
OC: DRIVERS LICENCES & PERMITS	14 771,00	0,00	0,00	14 771,00	-
OC: ENTERTAINMENT - EXEC MAYOR	32 855,00	2 739,30	6 828,49	26 026,51	<b>20,78</b>
OC: ENTERTAINMENT - COUNCILLORS	32 855,00	0,00	0,00	32 855,00	-
OC: ENTERTAINMENT - SENIOR MANAGEMENT	230 496,00	1 168,06	49 119,43	181 376,57	<b>21,31</b>
OC: ENTERTAINMENT - SPEAKER	10 440,00	1 286,80	6 067,60	4 372,40	<b>58,12</b>
OC: ENTERTAINMENT - CHIEF WHIP	36 540,00	0,00	0,00	36 540,00	-
OC: EXT COM SERV PROV - GPS LICENCE	8 604 229,00	0,00	7 596,09	8 596 632,91	<b>0,09</b>
OC: EXT COM SERV PROV - S/WARE LICEN	2 317 859,00	22 607,00	727 845,80	1 590 013,20	<b>31,40</b>
OC: EXT COM SERV PROV - SYSTEM ADVIS	0,00	0,00	0,00	0,00	-
OC: HIRE CHARGES	53 456 667,00	7 162 538,72	42 594 009,32	10 862 657,68	<b>79,68</b>
OC: INSUR UNDER - CLAIM PAID 3RD PAR	0,00	0,00	0,00	0,00	-
OC: INSUR UNDER - EXCESS PAYMENTS	500 000,00	6 000,00	154 032,16	345 967,84	<b>30,81</b>
OC: INSUR UNDER - PREMIUMS	4 500 000,00	1 560,85	4 005 146,51	494 853,49	<b>89,00</b>
OC: LEARNERSHIPS & INTERNSHIPS	100 000,00	0,00	0,00	100 000,00	-
OC: LIC - VEHICLE LIC & REGISTRATION	1 496 642,00	6 326,40	451 743,90	1 044 898,10	<b>30,18</b>
OC: LIC - VEHICLE LIC & REGISTR FLEE	14 678,00	0,00	1 416,00	13 262,00	<b>9,65</b>
OC: PERSONNEL AGENCY FEES (PERS RECR	0,00	0,00	0,00	0,00	-
OC: PRINTING & PUBLICATIONS	839 438,00	5 804,25	54 162,99	785 275,01	<b>6,45</b>
OC: PROFESSIONAL BODIES M/SHIP & SUB	431 226,00	0,00	112 186,43	319 039,57	<b>26,02</b>
OC: REMUNERATION TO WARD COMMITTEES	3 066 437,00	91 000,00	644 000,00	2 422 437,00	<b>21,00</b>

OC: ROAD WORTHY TEST FLEET	18 854,00	0,00	0,00	18 854,00	-
OC: SKILLS DEVELOPMENT FUND LEVY	4 466 696,00	18 486,99	440 091,96	4 026 604,04	9,85
OC: SEARCH FEES	17 194,00	0,00	0,00	17 194,00	-
OC: SERVITUDES & LAND SURVEYS	54 758,00	0,00	0,00	54 758,00	-
OC: SIGNAGE	521 724,00	0,00	52 814,36	468 909,64	10,12
OC: SMALL DIFFERENCES TOLERANCES	0,00	0,00	0,00	0,00	-
OC: TOLL GATE FEES	0,00	0,00	0,00	0,00	-
OC: TOLL GATE FEES FLEET	4 400,00	0,00	0,00	4 400,00	-
OC: TRANSPORT - EVENTS	97 756,00	0,00	0,00	97 756,00	-
OC: TRANSPORT - FUNERALS	0,00	0,00	0,00	0,00	-
OC: T&S DOM - ACCOMMODATION	3 148 708,00	20 509,24	524 300,77	2 624 407,23	16,65
OC: T&S DOM - DAILY ALLOWANCE	2 153 496,00	17 886,00	306 052,22	1 847 443,78	14,21
OC: T&S DOM - FOOD & BEVERAGE (SERVE	312 860,00	0,00	2 300,52	310 559,48	0,74
OC: T&S DOM TRP - W/OUT OPR OWN TRAN	2 801 784,00	43 369,00	796 369,48	2 005 414,52	28,42
OC: T&S DOM PUB TRP - ROAD TRANSPORT	365 171,00	0,00	0,00	365 171,00	-
OC: T&S - NON-EMPLOYEES	309 516,00	17 227,68	59 851,47	249 664,53	19,34
OC: TRANSPORT - MUNICIPAL ACTIVITIES	57 660,00	0,00	0,00	57 660,00	-
OC: UNIFORM & PROTECTIVE CLOTHING	7 342 497,00	113 116,10	2 470 234,98	4 872 262,02	33,64
OC: VEHICLE TRACKING FLEET	626 892,00	0,00	0,00	626 892,00	-
OC: WET FUEL	11 422 221,00	1 015 979,76	5 164 309,46	6 257 911,54	45,21
OC: WORKMEN'S COMPENSATION FUND	1 830 991,00	0,00	469 501,37	1 361 489,63	25,64
<b>SUB TOTAL : OPERATIONAL COST</b>	<b>151 142 436,00</b>	<b>11 482 684,04</b>	<b>73 796 034,36</b>	<b>77 346 401,64</b>	<b>48,83</b>
INVENTORY					
INV - CONSUMABLE STORES - STANDARD RATED	16 193 136,00	2 176 062,17	11 492 794,77	4 700 341,23	
INV - CONSUMABLE STORES - WATER METERS	0,00	0,00	0,00	0,00	
INV - CONSUMABLE STORES - CHEMICALS	0,00	0,00	0,00	0,00	
INV - CONSUMABLE STORES -STD RATED FLEET	1 885,00	0,00	0,00	1 885,00	
INV - CONSUMABL STORES -ZERO RATED FLEET	0,00	0,00	0,00	0,00	
INVENTORY - MATERIALS & SUPPLIES	1 041 710,00	60 609,82	207 599,60	834 110,40	
INVENTORY - MATERIALS & SUPPLIES FLEET	2 307,00	0,00	0,00	2 307,00	
INVENTORY - WATER	10 440 000,00	958 648,36	7 320 216,81	3 119 783,19	
<b>SUB TOTAL - INVENTORY</b>	<b>27 679 038,00</b>	<b>3 195 320,35</b>	<b>19 020 611,18</b>	<b>8 658 426,82</b>	
BULK PURCHASES					
ESKOM	423 185 402,00	806 374,08	60 605 820,25	362 579 581,75	
BULK WATER PURCHASES					
<b>SUB TOTAL : BULK PURCHASES</b>	<b>423 185 402,00</b>	<b>806 374,08</b>	<b>60 605 820,25</b>	<b>362 579 581,75</b>	
INTEREST DIVIDENDS AND RENT ON LAND					-
INT PAID BOR: ANNUITY LOANS	6 600 000,00	-120 045 000,00	3 850 000,00	2 750 000,00	58,33
INT PAID: OVERDUE ACCOUNTS	2 190 312,00	0,00	0,00	2 190 312,00	-
<b>SUB TOTAL - INTEREST DIVID &amp; RENT -</b>	<b>8 790 312,00</b>	<b>-120 045 000,00</b>	<b>3 850 000,00</b>	<b>4 940 312,00</b>	<b>43,80</b>
OPERATING LEASES					-
OPR LEASES: FURNITURE & OFFICE EQUIP	3 376 619,00	4 271,97	29 903,79	3 346 715,21	0,89
OPR LEASES: INFRA - TRANSPORTATION	0,00	0,00	0,00	0,00	-
OPR LEASES: MACHINERY & EQUIPMENT	23 064,00	0,00	0,00	23 064,00	-
OPR LEASES: TRANSPORT ASSETS	15 115 320,00	1 133 422,29	9 074 849,60	6 040 470,40	60,04
<b>SUB TOTAL : OPERATING LEASES</b>	<b>18 515 003,00</b>	<b>1 137 694,26</b>	<b>9 104 753,39</b>	<b>9 410 249,61</b>	<b>49,18</b>
BAD DEBTS WRITTEN OFF					
IRRECOVERABLE DEBTS WRITTEN OFF_EXCHANGE					
IRRECOV DEBTS W/OFF_EXCHG:ELECTRICITY	1 149 906,00	65 644,25	1 506 509,83	-356 603,83	131,01
IRRECOV DEBTS W/OFF_EXCHG:NON-SPECIFIC	-	0,00	0,00	0,00	-
IRRECOV DEBTS W/OFF_EXCHG:WASTE	177 704,00	29 955,82	343 977,83	-166 273,83	193,57
IRRECOV DEBTS W/OFF_EXCHG:WASTE WATER	228 604,00	54 252,79	570 617,90	-342 013,90	249,61
IRRECOV DEBTS W/OFF_EXCHG:WATER	1 261 670,00	72 339,76	710 686,86	550 983,14	56,33
<b>SUB TOTAL : IRRECOV BAD DEBT W/OFF_EXCH</b>	<b>2 817 884,00</b>	<b>222 192,62</b>	<b>3 131 792,42</b>	<b>-313 908,42</b>	<b>111,14</b>
IRRECOVERABLE DEBTS W/OFF_NON-EXCHANGE					
IRRECOV DEBTS W/OFF_NON-EXCH:PROP RATES	1 148 400,00	144 414,11	1 865 978,70	-717 578,70	162,49
<b>SUB TOTAL : IRREC BAD DEBT W/OFF_NON-EX</b>	<b>1 148 400,00</b>	<b>144 414,11</b>	<b>1 865 978,70</b>	<b>-717 578,70</b>	<b>162,49</b>
<b>SUB TOTAL : BAD DEBTS WRITTEN OFF</b>	<b>3 966 284,00</b>	<b>366 606,73</b>	<b>4 997 771,12</b>	<b>-1 031 487,12</b>	<b>126,01</b>
TRANSFERS AND SUBSIDIES					-

HH SSP SOC ASS: SOCIAL RELIEF	1 095 158,00	5 000,00	10 000,00	1 085 158,00	0,91
<b>SUB TOTAL : OPERATIONAL : ALLOC IN K</b>	<b>1 095 158,00</b>	<b>5 000,00</b>	<b>10 000,00</b>	<b>1 085 158,00</b>	<b>0,91</b>
OPERATIONAL : MONETARY					-
<b>SUB TOTAL : OPERATIONAL : MONETARY</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>-</b>
<b>SUB TOTAL : TRANSFERS &amp; SUBSIDIES</b>	<b>1 095 158,00</b>	<b>5 000,00</b>	<b>10 000,00</b>	<b>1 049 000,00</b>	<b>0,91</b>
<b>DEPRECIATION &amp; AMORTISATION</b>					
DEPRECIATION COMPUTER EQUIPMENT	394 635,00	0,00	0,00	0,00	-
DEPRECIATION WATER SUPPLY DISTRIBUTION	876 125,00	0,00	0,00	0,00	-
DEPRECIATION FURNITURE & OFFICE EQUIPM	821 327,00	0,00	0,00	0,00	-
DEPRECIATION ELEC MV NETWORKS	4 380 624,00	0,00	0,00	0,00	-
DEPRECIATION ELEC LV NETWORKS	876 125,00	0,00	0,00	0,00	-
DEPRECIATION MACHINERY & EQUIPMENT	1 301 834,00	0,00	0,00	0,00	-
DEPRECIATION TRANSPORT ASSETS	1 528 800,00	0,00	0,00	0,00	-
DEPRECIATION COMMUNITY CAPITAL SPARES	103 235,00	0,00	0,00	0,00	-
<b>SUB TOTAL : DEPRECIATION &amp; AMORTISATION</b>	<b>10 282 705,00</b>	<b>-</b>	<b>-</b>	<b>0,00</b>	<b>-</b>

### 4.3 Capital Expenditure

FS201 Moqhaka - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M07 January

Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									

<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		<b>2 581</b>	<b>2 981</b>	<b>3 217</b>	<b>988</b>	<b>1 218</b>	<b>1 808</b>	(591)	-33%	<b>3 217</b>
Executive and council		15	-	-	-	-	-	-		-
Finance and administration		2 532	2 981	3 217	988	1 218	1 808	(591)	-33%	3 217
Internal audit		34	-	-	-	-	-	-		-
<b>Community and public safety</b>		<b>383</b>	<b>29 350</b>	<b>28 377</b>	<b>(1 655)</b>	<b>15 709</b>	<b>16 674</b>	(965)	-6%	<b>28 377</b>
Community and social services		-	550	550	-	27	321	(294)	-92%	550
Sport and recreation		271	5 853	5 489	1 063	1 064	3 239	(2 174)	-67%	5 489
Public safety		84	22 947	22 337	(2 718)	14 618	13 115	1 503	11%	22 337
Housing		27	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
<b>Economic and environmental services</b>		<b>263</b>	<b>42 144</b>	<b>14 420</b>	<b>2 174</b>	<b>3 307</b>	<b>12 262</b>	(8 956)	-73%	<b>14 420</b>
Planning and development		129	-	-	-	-	-	-		-
Road transport		119	42 064	14 340	2 174	3 307	12 216	(8 909)	-73%	14 340
Environmental protection		15	80	80	-	-	47	(47)	-100%	80
<b>Trading services</b>		<b>1 674</b>	<b>20 546</b>	<b>37 106</b>	<b>30</b>	<b>4 127</b>	<b>19 345</b>	(15 219)	-79%	<b>37 106</b>
Energy sources		98	250	250	-	-	146	(146)	-100%	250
Water management		143	18 524	20 690	30	71	11 768	(11 698)	-99%	20 690
Waste water management		1 434	1 773	16 047	-	4 056	7 378	(3 322)	-45%	16 047
Waste management		-	-	119	-	-	53	(53)	-100%	119
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>Total Capital Expenditure - Functional Classification</b>	<b>3</b>	<b>4 900</b>	<b>95 021</b>	<b>83 120</b>	<b>1 537</b>	<b>24 360</b>	<b>50 090</b>	<b>(25 730)</b>	<b>-51%</b>	<b>83 120</b>
<b>Funded by:</b>										
National Government		128	66 532	54 344	-	4 121	33 393	(29 272)	-88%	54 344
Provincial Government		-	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		9	-	-	-	-	-	-		-
<b>Transfers recognised - capital</b>		<b>136</b>	<b>66 532</b>	<b>54 344</b>	<b>-</b>	<b>4 121</b>	<b>33 393</b>	<b>(29 272)</b>	<b>-88%</b>	<b>54 344</b>
<b>Borrowing</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>Internally generated funds</b>		<b>4 763</b>	<b>28 489</b>	<b>28 776</b>	<b>1 537</b>	<b>20 239</b>	<b>16 696</b>	<b>3 542</b>	<b>21%</b>	<b>28 776</b>
<b>Total Capital Funding</b>		<b>4 900</b>	<b>95 021</b>	<b>83 120</b>	<b>1 537</b>	<b>24 360</b>	<b>50 090</b>	<b>(25 730)</b>	<b>-51%</b>	<b>83 120</b>

As indicated in the Table above, the YTD Actual on capital expenditure as at end of 31 January amounted to R24 360 000. The total YTD capex is funded from Capital grants R4 121 000 and Internally generated funds R20 239 000. Capex is extremely low and major

intervention is required for the financial year. Planning of project managers also needs to improve going forward. One of the major challenges that the municipality is experiencing is in respect of tendering processes.

The majority of capital projects are based on a functionality criterion. Bidders either do not meet the functionality criteria or submit incomplete tender documents resulting in bidders being non-responsive. And due to the non-responsiveness of bidders, these bids unfortunately must be re-advertised. The municipality has been implementing more compulsory site meetings to sensitise service providers on the compliance issues pertaining to bid documents. Secondly, project managers need to realistically anticipate challenges and immediately address delays to ensure that projects are completed within the specified timeframe. Contract management also needs to be monitored more closely, placing emphasis on the performance of appointed service providers and addressing issues of non-performance immediately.

It should be noted that capital expenditure excludes VAT and commitments. The capital expenditure report, Table C5 has been prepared on the prescribed monthly C-schedule and is categorised by municipal vote and functional classification.

#### **4.4 Cash flows**

<b>CASH FLOW ANALYSIS FOR THE MONTH ENDING</b>	
<b>Detail</b>	<b>Jan-25</b>
<b>Cash Receipts by Source</b>	
Property rates	8 160 297
Service charges - electricity revenue	24 037 325
Service charges - water revenue	3 925 263
Service charges - sanitation revenue	2 146 508
Service charges - refuse revenue	1 751 070
Service charges - other	-
Interest earned - external investments	276 116
Interest earned - outstanding debtors	252 998
Fines	-
Transfer receipts - operational	-
Other revenue	18 796 444
<b>Cash Receipts by Source</b>	<b>59 346 021</b>
<b>Other Cash Flows/Receipts by Source</b>	
Transfer receipts - capital	80 000
Borrowing long term/refinancing	-
<b>Total Cash Receipts by Source</b>	<b>59 426 021</b>
<b>Cash Payments by Type</b>	
Employee related costs	37 868 310
Remuneration of councillors	1 840 533
Bulk purchases - Electricity	927 322
Contracted services	10 073 693
General expenses	10 420 367
<b>Cash Payments by Type</b>	<b>61 130 225</b>
<b>Other Cash Flows/Payments by Type</b>	
Capital assets	1 535 828
Repayment of borrowing	-
<b>Total Cash Payments by Type</b>	<b>62 667 053</b>
<b>Net Increase/(Decrease) in Cash Held</b>	<b>-3 241 032</b>
<b>Cash/cash equivalents at the month/year begin:</b>	<b>63 970 391</b>
<b>Cash/cash equivalents at the month/year end:</b>	<b>60 729 359</b>

Cash is monitored daily. The municipality is in a severe cash flow crisis and not in the conducive position to settle short-term commitments. This is a critical threat to the municipality's ability to pay salaries, bulk accounts and day-to-day operations which can have a detrimental effect on service delivery and irrevocably damage the municipality's relationship with its service providers and further tarnishing the municipality's reputation. This is also evident by the escalation in debt owed to Eskom.

**Moqhaka Local Municipality (FS201): Monthly Budget Statement: S71 Monthly Report: January 2026**  
**5. In-year Budget Statement Tables**

The financial results for the period under review are consisting of the following C-Schedule tables:

- (a) Table C1: Summary
- (b) Table C2: Financial Performance (Functional Classification)
- (c) Table C3: Financial Performance (Revenue and Expenditure by Municipal vote)
- (d) Table C4: Financial Performance (Revenue and Expenditure)
- (e) Table C5: Capital Expenditure by vote, functional classification and funding
- (f) Table C6: Statement of Financial Position
- (g) Table C7: Cash Flow

The municipality is now implementing full credit control processes to improve its cashflow and collection rate. This includes restricting power to payment defaulters, serving of disconnection notices through the SMSs, emails, and other social media platforms, communicating to Customers that are in arrears, that their electricity will be disconnected due to non-payment of accounts.

<b>Highlights</b>	<b>30-Nov</b>	<b>31-Dec</b>	<b>% Change</b>	<b>31-Jan</b>	<b>% Change</b>	<b>Reference</b>
<b>Services</b>						
Councillors' debt (>90 days)	R 1 649 918	R 1 611 015	-2%	R 1 622 848	1%	BP136-r
Officials debt (>90 days)	R 3 217 255	R 3 265 416	1%	R 3 325 005	2%	BP136-a
<b>Sundry debtors</b>						
Telephones (Officials & Councillors)	R723 557.99	R727 306.69	1%	R710 200.90	-2%	BP136-rt
<b>Indigents</b>	R 275 732 062	R 282 576 144	2%	R 293 315 857	4%	BP136-ia
<b>Total Debt 90 Days +</b>	<b>R 281 322 793</b>	<b>R 288 179 882</b>	<b>2%</b>	<b>R 298 973 911</b>	<b>4%</b>	

The municipality regularly conducts a mass blocking of all prepaid meters of Customers that are owing the Municipality. Our collection efforts are also exacerbated by the tampering crisis we are currently facing as a municipality. The community does not see the importance of paying for municipal services; and that ultimately this is a key part required for effective service delivery. There is a poor payment culture within the jurisdiction of our Municipality and drastic measures need to be taken to get people back to the culture of paying their municipal accounts monthly without fail.

As of 31 January 2026, the Government Debt was as follows:

Jan-26	WATER	ELEC	RATES	SE & RF	OTHER	TOTAL	PAYMENT	OUTST
<b>PROVINCIAL DEPARTMENTS</b>								
OFFICE OF THE PREMIER	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FREE STATE LEGISATURE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DEPARTMENT OF TOURISM, ETC.	16 134.00	0.00	0.00	14 886.00	2 908.00	33 928.00	0.00	33 928.00
FREE STATE PROVINCIAL TREASURY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DEPARTMENT OF HEALTH (PH)	14 839 552.00	10 737 742.00	0.00	14 020 257.00	26 462.00	39 624 013.00	0.00	39 624 013.00
DEPARTMENT OF EDUCATION (PE)	141181.00	1 720 415.00	246 062.00	22 087 547.00	0.00	24 195 205.00	0.00	24 195 205.00
DEPARTM OF SOCIAL DEV(PS)	0.00	0.00	0.00	289 331.00	0.00	289 331.00	0.00	289 331.00
LOCAL GOVERNMENT & HOUSING(LG)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PUBLIC WORKS, ROADS, TRANSP(PW)	1 274 091.00	17 102 027.00	2 536.00	958 944.00	2 352.00	19 339 950.00	0.00	19 339 950.00
PUBLIC SAFETY, ETC.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AGRICULTURE (PA)	0.00	240.00	0.00	0.00	0.00	240.00	0.00	240.00
SPORTS, ARTS & CULTURE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>16 270 958.00</b>	<b>29 560 424.00</b>	<b>248 598.00</b>	<b>37 370 965.00</b>	<b>31 722.00</b>	<b>83 482 667.00</b>	<b>0.00</b>	<b>83 482 667.00</b>
				<b>0.00</b>				
<b>SCHOOLS (SECTION 21)</b>	11 827 049.00	24 658 940.00	7 221.00	9 571.00	32 895.00	<b>36 535 676.00</b>	0.00	<b>36 535 676.00</b>
<b>NATIONAL DEPARTMENTS</b>	<b>WATER</b>	<b>ELEC</b>	<b>RATES</b>	<b>SE &amp; RF</b>	<b>OTHER</b>	<b>TOTAL</b>	<b>PAYMENT</b>	<b>OUTST</b>
CORRECTIONAL SERVICES (NC)	5 694 346.00	3 669 794.00	0.00	356 575.00	0.00	9 720 715.00	0.00	9 720 715.00
DEFENCE (ND)	2 216 464.00	6 193 911.00	21 882.00	320 860.00	14 402.00	8 767 519.00	0.00	8 767 519.00
HOUSING (NH)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LABOUR (NL)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LAND AFFAIRS (NA)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MINERALS & ENERGY	27 640.00	146 727.00	199 428.00	59 911.00	102 163.00	535 869.00	0.00	535 869.00
PUBLIC WORKS (NW)	26 340.00	170 850.00	4 837 217.00	84 038.00	0.00	5 118 445.00	0.00	5 118 445.00
SA POLICE(NP)	1 234 798.00	810 587.00	19 646.00	1 133 932.00	2 143.00	3 201 106.00	0.00	3 201 106.00
WATER AFFAIRS (WA)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JUSTICE (GJ)	46 199.00	97 679.00	0.00	11 435.00	2 978.00	158 291.00	0.00	158 291.00
<b>TOTAL</b>	<b>9 245 787.00</b>	<b>11 089 548.00</b>	<b>5 078 173.00</b>	<b>1 966 751.00</b>	<b>121 686.00</b>	<b>27 501 945.00</b>		<b>27 501 945.00</b>
<b>TOTAL</b>	<b>37 343 794.00</b>	<b>65 308 912.00</b>	<b>5 333 992.00</b>	<b>39 347 287.00</b>	<b>186 303.00</b>	<b>147 520 288.00</b>	<b>-</b>	<b>147 520 288.00</b>
						<b>TOTAL</b>		<b>147 520 288.00</b>
						<b>LESS CREDIT</b>		<b>0.00</b>
						<b>GRAND TOTAL</b>		<b>147 520 288.00</b>

## MUNICIPAL DEBT RETURN FORM - Provincial &amp; National Departments

Municipality: **FS201 Moqhaka**Financial Year: **2023/24** 2025/26Reporting Month: **M07 January**

R'000	Provincial Public Works & Infrastructure	Education		National Public Works	TOTAL
		Section 20 Schools (Payable by Department of Education)	Section 21 Schools (Payable by Schools)		
<b>Property Rates</b>	<b>249</b>			<b>5 078</b>	<b>5 327</b>
0-30 Days	24			734	758
31-60 Days	19			734	753
61-90 Days	19			734	753
Over 90 Days	185			2 876	3 061
<b>Water</b>	<b>16 271</b>	–	<b>11 827</b>	<b>9 246</b>	<b>37 344</b>
0-30 Days	663	–	341	1 998	3 002
31-60 Days	870	–	402	1 286	2 558
61-90 Days	801	–	421	1 573	2 795
Over 90 Days	13 937	–	10 663	4 389	28 989
<b>Electricity</b>	<b>29 560</b>	–	<b>24 658</b>	<b>11 090</b>	<b>65 308</b>
0-30 Days	690	–	838	1 554	3 082
31-60 Days	833	–	1 700	1 789	4 321
61-90 Days	951	–	1 078	1 673	3 703
Over 90 Days	27 086	–	21 042	6 074	54 202
<b>Sanitation</b>	<b>24 709</b>			<b>1 201</b>	<b>25 910</b>
0-30 Days	1 088			179	1 267
31-60 Days	1 082			71	1 153
61-90 Days	1 082			67	1 149
Over 90 Days	21 457			885	22 341
<b>Refuse Removal</b>	<b>12 662</b>			<b>766</b>	<b>13 428</b>
0-30 Days	550			94	644
31-60 Days	547			39	586
61-90 Days	547			37	584
Over 90 Days	11 018			596	11 613
<b>Other</b>	<b>32</b>	–	<b>50</b>	<b>122</b>	<b>203</b>
0-30 Days	0	–	2	3	5
31-60 Days	0	–	2	3	5
61-90 Days	0	–	2	3	5
Over 90 Days	31	–	44	112	188
<b>TOTAL</b>	<b>83 483</b>	–	<b>36 535</b>	<b>27 502</b>	<b>147 519</b>
0-30 Days	3 016	–	1 181	4 561	8 758
31-60 Days	3 352	–	2 103	3 922	9 377
61-90 Days	3 401	–	1 501	4 086	8 989
Over 90 Days	73 714	–	31 750	14 932	120 395

<b>Payments received during reporting month (whole amount)</b>	<b>5 067 145.42</b>		<b>2 316 000.49</b>	<b>7 383 145.91</b>
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**Revenue enhancement strategies that can be implemented to ensure the completeness of Revenue, improve the collection rate, enhance customer relations and reduce losses**

- Disconnection of consumers must be applied consistently and fairly in line with the Credit Control Policy
- Engagements with provincial government to collect outstanding debt.
- Data cleansing of the entire debtor's book, and data cleansing to positively influence the reachability of consumers and assist tremendously in the electronic distribution of municipal accounts via short messaging services (SMS) and e-mail.
- Improve in the accuracy of monthly billing.
- Ensure meters are read consistently, timeously and significantly reduce interim readings and ultimately eliminate interim readings.
- Reduce material billing errors by thoroughly interrogating billing exception reports prior to final billing run.
- Enhance customer relations and consumer satisfaction by improving on the turnaround time when dealing with billing queries.
- Introduce electronic complaints management system/register for account queries.
- Ensure faulty and bypassed electricity meters are replaced.
- Ensure that stuck, leaking, faulty or damaged water meters are replaced.
- Do regular follow-ups on meter replacements.
- Accurately update the system with latest information
- Reduce the turnaround time for installation of replacement or new meters.
- Ensure improved synergy and improved communication between internal department like Town Planning, Infrastructure, GIS and Billing.
- Interrogate billing and prepaid electricity reports monthly and take immediate remedial action to address anomalies or discrepancies.
- Ensure that all billable properties are billed for Property rates and services.
- Ensure that customers are billed at the correct approved tariff by linking each customer to the correct tariff code loaded on the system.
- Reduce Electricity and Water losses.
- Introduce automated metering for bulk consumers.
- Electricity Cost of Supply Study was finalised
- Ensure qualifying indigents are registered on the system, immediately upon verification.
- Improve on indigent management in terms of consumption and ensure prepaid electricity meters are installed/replaced immediately for all approved indigents.
- Improve on service delivery and personnel performance, to enhance customer's willingness to pay.

- Reduce or curb unnecessary expenditure by diligently applying cost containment measures.
- Improve on routine maintenance on particularly revenue generating assets.
- Spend funds effectively with good value for money.

## 6. Debtors' Analysis – January 2026

4	Outstanding Debtor's by Customer Group	Current (0 to 30 days)	31 to 60 Days	61 to 90 Days	Over 90 days	Total
4.1	Organs of State (Provincial & National Departments)	R 21 891 666	R 9 174 493	R 9 309 296	R 105 036 373	R 145 411 828
4.2	Business / Commercial	R 32 844 579	R 12 196 112	R 8 186 255	R 171 075 882	R 224 302 828
4.3	Households	R 34 717 282	R 29 213 312	R 26 146 271	R 1 394 395 413	R 1 484 472 278
4.4	Other	-R 7 597 051	R 4 371 081	R 1 862 170	R 134 939 937	R 133 576 137
	<b>Total</b>	<b>R 81 856 476</b>	<b>R 54 954 998</b>	<b>R 45 503 992</b>	<b>R 1 805 447 605</b>	<b>R 1 987 763 071</b>
5	Outstanding Debtor's by Income Source	Current (0 to 30 days)	31 to 60 Days	61 to 90 Days	Over 90 days	Total
5.1	Water	R 23 739 515	R 21 686 778	R 18 953 221	R 931 166 689	R 995 546 203
5.2	Electricity	R 34 379 172	R 13 984 756	R 10 743 566	R 168 106 296	R 227 213 790
5.3	Property Rates	R 8 521 289	R 5 981 709	R 4 016 264	R 120 495 570	R 139 014 832
5.4	Sanitation	R 8 219 373	R 6 708 769	R 6 406 280	R 290 230 284	R 311 564 706
5.5	Refuse removal	R 5 778 214	R 4 751 647	R 4 545 949	R 210 712 354	R 225 788 164
5.6	Other	R 1 218 913	R 1 841 339	R 838 712	R 84 736 412	R 88 635 376
	<b>Total</b>	<b>R 81 856 476</b>	<b>R 54 954 998</b>	<b>R 45 503 992</b>	<b>R 1 805 447 605</b>	<b>R 1 987 763 071</b>

## **Comments:**

Total outstanding debt has increased from R1 987 763 071 in December 2025 and has increased to R2 025 247 171 in January 2026. The 2% movement amounting to R37 484 100 is a result of account payers defaulting.

Water outstanding debt was R995 645 203 in December 2025 and has increased to R1 009 808 265 in January 2026. That accounts for 50% of the outstanding debt due to non-payment, burst pipes, leaking water meters.

Electricity outstanding debt was R227 213 790 in December 2025 and has increased to R240 066 512 in January 2026. This translates to 12% of the total debtors' book to date.

There were also payments from different categories of debtors for service and availability/basic charges for infrastructure maintenance. However, theft and illegal electricity connections remain a serious concern.

Property Rates outstanding debt was R139 014 832 in December 2025 and has decreased to R138 822 334 in January 2026. This account for 7% against total debtors' book.

Total outstanding debt for sanitation/Sewerage was R311 564 706 in December 2025 has increased to R317 169 969 in January 2026. This accounts for 16% of the total outstanding debtors' book.

Refuse Removal or Solid Waste outstanding debt was R225 788 164 in December 2025 and has increased to R229 668 371 in January 2026. This accounts for 11% of the total debt and emanates from non-payment of accounts.

Total outstanding debt for Other or Sundries was R88 635 376 in December 2025 and has increased to R89 711 720 in January 2026. Which accounts for 4% for total outstanding debtors' book. It represents the debt

from indirect services on sundry accounts like rental, telephone, advertising & signs, and more.

Government debt was R145 411 828 in December 2025 and has increased to R147 606 173 in January 2026. This represents 7% of the total outstanding debt that Public Works is in the process of addressing.

Business/Commercial debt was R224 302 828 in December 2025 and has increased to R236 501 344 in January 2026. This represents 12% of the total outstanding debt and is impacted by small business establishments in the townships that are either rented out to non-South Africans and where owners passed on.

Debt by Households was R1 484 472 278 in December 2025 and has increased to R1 505 521 495 in January 2026. That accounts for 74% of the total debtors' book. This is inclusive of R293 315 857 owed by indigent households.

The remaining Other Income debt by many other various categories of debtors was R133 576 137 in December 2025 and has increased to R135 618 159 in January 2026. That is 7% of the total outstanding debtors' book.

The total debt by Councillors was R1 611 015 in December 2025 and R1 622 848 in January 2026 (1% movement). Officials owed R3 265 416 in December 2025 & owe R3 325 005 in January 2026 (2% increase).

Telephone accounts had a balance of R727 306.69 in December 2025 & has decreased to R710 200 in January 2026 (2% decrease).

The Municipality needs to resolve on approving the Revenue Enhancement Strategy & implement the Debt Collection & Credit Control Policy consistently.

There were 4 debt collection companies appointed until June 2025. The Municipality made an application to join the National Treasury RT27-2024 debt collection transversal contract.

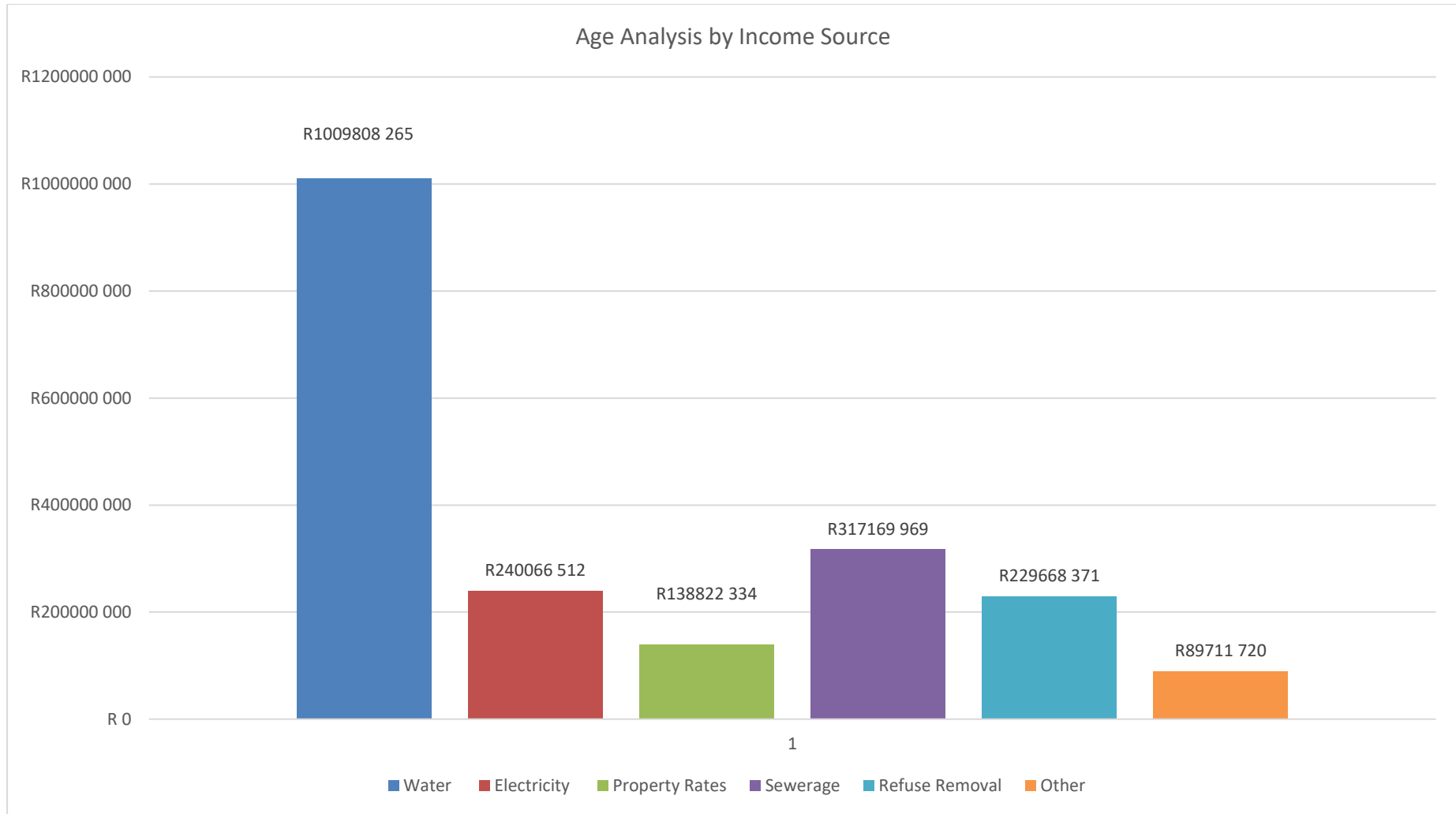
Blockings of the prepaid electricity meters & disconnections for the conventional electricity meters for categories of payment defaulters plays a major role in the collection rate and revenue enhancement.

The Municipal Manager has been dismissed in January 2026. This negatively impacts on the enforcement of the Debt Collection & Credit Control policy, as well as the Cost Containment policy.

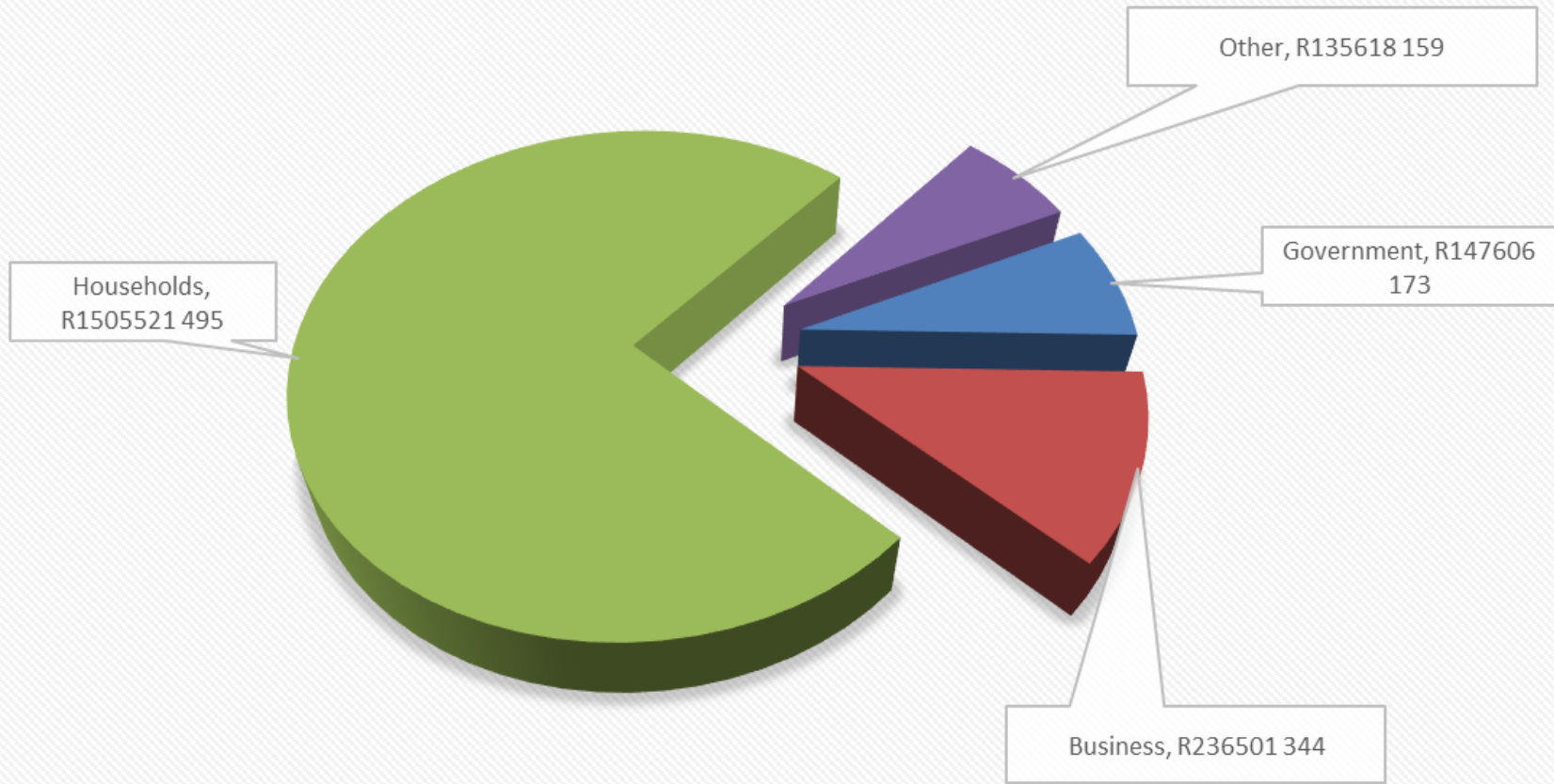
Four years delay in appointing the Chief Financial Officer and other Directors plays a very critical role in the financial distress facing the municipality.

The Municipality operates with administrative leadership that mostly is in acting capacity. The municipality is politically unstable, and the leadership vacuum affects operations.

Age Analysis by Income Source



## Age Analysis By Customer Group



■ Government ■ Business ■ Households ■ Other

An analysis revealed that the catalysts for this condition are the:

- + High volume of account holders in arrears,
- + The poor economic circumstances of many of the accountholders,
- + and the increasing cost of services beyond the Municipality's control.


There is a substantial portion of irrecoverable, stagnant debt that attracts interest every month. The municipality will process this debt and submit it to Council for approval for write off. We have revised our policies to make our processes more effective. This will allow us to focus on preventing debt from ageing where possible in tracing and updating our debtors' information and of course recovering outstanding amounts.

The municipality held a strategic planning session between 17 and 19 October 2023 to address its financial challenges and come up with resolutions in improving/enhancing the revenue collection. We anticipate a marked turnaround of this trend and in conjunction with a concerted effort to retard the escalation of ageing debt, we are focusing on improving the accuracy and regularity of our billing as well as our communication with our accountholders. Indigent verification is a continuous process, and we are encouraging accountholders whose households qualify, to approach the Municipality for an assessment and possible registration as an Indigent Household. The benefits of this are the provision of free basic services and assistance with arrear debt owed to the Municipality. The payment culture of consumers needs to improve across all areas. -Articulated in the paragraph below under "Revenue Management" is a detailed plan with interventions and improvements.

## 7. Creditors' Analysis

<b>Creditor Age Analysis January 2026</b>									
<b>Detail</b>	<b>0 - 30 Days</b>	<b>31 - 60 Days</b>	<b>61 - 90 Days</b>	<b>91 - 120 Days</b>	<b>121 - 150 Days</b>	<b>151 - 180 Days</b>	<b>181 Days - 1 Year</b>	<b>Over 1 Year</b>	<b>Total -</b>
Bulk Electricity	60 589 679	55 966 828	57 890 500	-	-	-	-	2 029 097 411	2 203 544 418
Loan repayments	562 197	676 595	-	-	-	-	-	-	1 238 792
Trade Creditors	4 660 594	1 633 474	2 234 079	2 529 586	-	-	-	-	11 057 733
Auditor General	630 270	3 208 284	-	-	-	-	-	-	3 838 554
DWS	976 252	898 718	898 718	-	-	-	-	23 589 322	26 363 010
WORKMENS COMPENSATION	-	-	-	-	-	-	-	-	-
GOVERNMENT GARAGE	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>67 418 992</b>	<b>62 383 899</b>	<b>61 023 297</b>	<b>2 529 586</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 052 686 733</b>	<b>2 246 042 507</b>

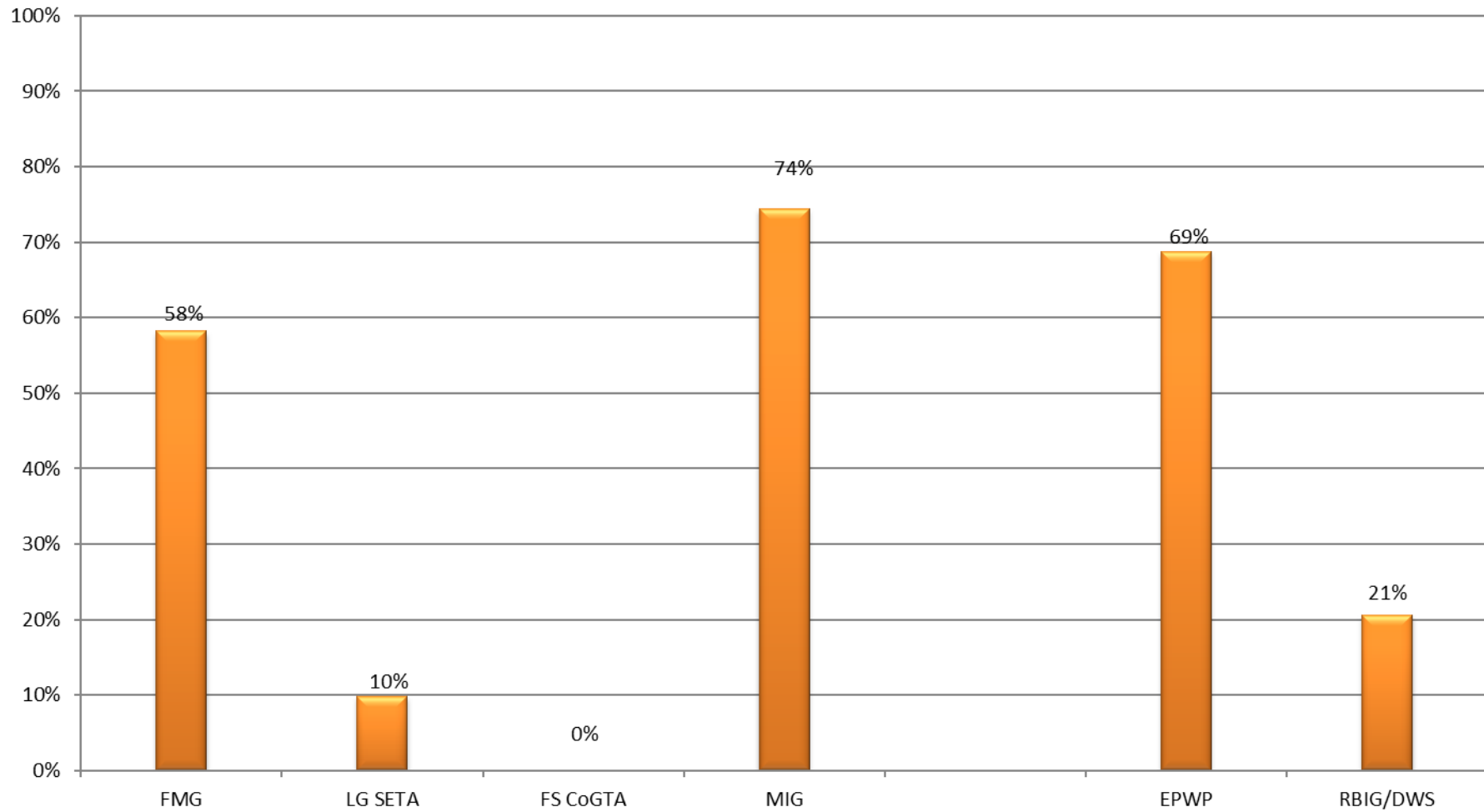
## 8. Investment portfolio analysis

Moqhaka Municipality				
Year End Section Compiled by Purpose	30-Jul-26			
	Finance			
	ID Mphosi			
	Investment Register			
<i>The municipality holds the following investments with ABSA Bank.</i>				
Detail	Bank Acc num	Type of investment	Vote num	
ABSA - 1	20-7531-4898	Fixed Deposit	34055053140ZZZZZZWM	
ABSA - 2	20-5824-7882	Fixed Deposit	34055053040ZZZZZZW	21 465 760,64
ABSA - 3	91-3190-1443	Call Account	34055053240ZZZZZZWM	
	20-7531-4898	20-5824-7882	91-3190-1443	
	<b>ABSA - 1</b>	<b>ABSA - 2</b>	<b>ABSA - 3</b>	<b>Total</b>
<b>Balance 01-Jul- 2025</b>	<b>6 040,56</b>	<b>129 607,22</b>	<b>22 165 244,44</b>	<b>22 300 892,22</b>
Prior period error		-	-	-
<b>Adjusted Balance</b>	<b>6 040,56</b>	<b>129 607,22</b>	<b>16 165 244,44</b>	<b>16 300 892,22</b>
Invested	-	-	120 595 000,00	120 595 000,00
Withdrawn	-	-	-64 000 000,00	-64 000 000,00
Interest earned	-	-	399 351,86	399 351,86
<b>Balance at 31-Jul-2025</b>	<b>6 040,56</b>	<b>129 607,22</b>	<b>73 159 596,30</b>	<b>73 295 244,08</b>
	109,47		8 205 548,02	8 205 657,49
Invested	-	-	35 336 519,94	35 336 519,94
Withdrawn	-	-	-27 500 000,00	-27 500 000,00
Interest earned	109,47	-	369 028,08	369 137,55
<b>Balance at 31-Aug-2025</b>	<b>6 150,03</b>	<b>129 607,22</b>	<b>81 365 144,32</b>	<b>81 500 901,57</b>
			-30 673 532,29	-30 673 532,29
Invested	-	-	10 500 000,00	10 500 000,00
Withdrawn	-	-	-41 500 000,00	-41 500 000,00
Interest earned	-	-	326 467,71	326 467,71
<b>Balance at 30-Sep-2025</b>	<b>6 150,03</b>	<b>129 607,22</b>	<b>50 691 612,03</b>	<b>50 827 369,28</b>
			-9 136 373,01	-9 136 373,01
Invested	-	-	30 600 000,00	30 600 000,00
Withdrawn	-	-	-40 000 000,00	-40 000 000,00
Interest earned	-	-	263 626,99	263 626,99
<b>Balance at 31-Oct-2025</b>	<b>6 150,03</b>	<b>129 607,22</b>	<b>41 555 239,02</b>	<b>41 690 996,27</b>
	102,93	11 059,79	-9 997 966,57	-9 986 803,85
Invested	-	-	18 800 000,00	18 800 000,00
Withdrawn	-	-	-29 002 241,75	-29 002 241,75
Interest earned	102,93	11 059,79	204 275,18	215 437,90
<b>Balance at 30-Nov-2025</b>	<b>6 252,96</b>	<b>140 667,01</b>	<b>31 557 272,45</b>	<b>31 704 192,42</b>
			25 958 783,01	25 958 783,01
Invested	-	-	120 500 000	120 500 000,00
Withdrawn	-	-	-94 900 000	-94 900 000,00
Interest earned	-	-	358 783,01	358 783,01
<b>Balance at 31-Dec-2025</b>	<b>6 252,96</b>	<b>140 667,01</b>	<b>57 516 055,46</b>	<b>57 662 975,43</b>
			-1 223 883,51	-1 223 883,51
Invested	-	-	25 000 000,00	25 000 000,00
Withdrawn	-	-	-26 500 000,00	-26 500 000,00
Interest earned	-	-	276 116,49	276 116,49
<b>Balance at 31-Jan-2026</b>	<b>6 252,96</b>	<b>140 667,01</b>	<b>56 292 171,95</b>	<b>56 439 091,92</b>

## 9. Allocation and grant receipts and expenditure

Report on conditional grants at	January 2025						
Municipality:	FS201 Moqhaka						
Financial Accounting for Grant Funds Received and Expended							
	OPERATIONAL GRANTS		CAPITAL GRANTS				
	Finance Management Grant (FMG)	LG SETA (Mandatory)	Municipal Infrastructure Grant (MIG)	Extended Public Works Programme (EPWP)	RBIG	Water Services Infrastructure Grant (WSIG)	Total Capital Grants
<b>DORA Allocation for the 2025/26</b>	2 300 000						-
<b>Unspent grants at beginning of the financial year</b>		2 530 931					-
Received Prior Months	2 300 000	2 530 931	4 617 864	1 047 000	21 435 626	4 595 000	31 695 490
Received This Month	-	-	80 000	-	-	6 000 000	6 080 000
<b>Total Funds Received</b>	<b>2 300 000</b>	<b>2 530 931</b>	<b>4 697 864</b>	<b>1 047 000</b>	<b>21 435 626</b>	<b>10 595 000</b>	<b>37 775 490</b>
Spent Prior Months	1 229 225	249 263	3 418 651	654 412	21 435 626	-	25 508 689
Spent This Month	109 665	-	79 541	65 660	-	-	145 201
Grants refunded						2 181 896	2 181 896
Total Funds Spent	1 338 890	249 263	3 498 192	720 072	21 435 626	2 181 896	27 835 786
<b>Total funds Received and Not Spent</b>	<b>961 110</b>	<b>2 281 668</b>	<b>1 199 672</b>	<b>326 928</b>	<b>-</b>	<b>8 413 104</b>	<b>9 939 704</b>
<b>Percentage of Funds Spent</b>	<b>58%</b>	<b>10%</b>	<b>74%</b>	<b>69%</b>	<b>100%</b>	<b>21%</b>	<b>74%</b>
Funds Currently Committed but Not Spent	-	-	-	-		-	-
Scheduled Transfers Withheld	-	-	-	-		-	-

# GRANTS SPENDING 2025/26 JANUARY



**FS201 Moqhaka - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M07 January**

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		329 232	325 501	325 501	110	232 292	189 876	42 416	22,3%	325 501
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-		-
Equitable Share		298 568	312 705	312 705	-	231 026	182 411	48 615	26,7%	312 705
Expanded Public Works Programme Integrated Grant		-	1 496	1 496	-	-	873	(873)	-100,0%	1 496
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-		-
Local Government Financial Management Grant		2 300	2 300	2 300	110	1 266	1 342	(76)	-5,6%	2 300
Municipal Disaster Relief Grant	3	-	-	-	-	-	-	-		-
Municipal Infrastructure Grant		-	-	-	-	-	-	-		-
Regional Bulk Infrastructure Grant		28 364	9 000	9 000	-	-	5 250	(5 250)	-100,0%	9 000
Other transfers and grants [insert description]		-	-	-	-	-	-	-		-
<b>Provincial Government:</b>		-	-	-	-	-	-	-		-
Infrastructure Grant		-	-	-	-	-	-	-		-
Other transfers and grants [insert description]		-	-	-	-	-	-	-		-
<b>District Municipality:</b>		-	-	-	-	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
<b>Other grant providers:</b>		1 780	3 081	3 081	66	616	1 797	(1 182)	-65,7%	3 081
ESKOM		-	-	-	-	-	-	-		-
National Economical Development and Labour Council		1 104	-	-	66	616	-	616		-
National Skills Fund		676	3 081	3 081	-	-	1 797	(1 797)	-100,0%	3 081
<b>Total Operating Transfers and Grants</b>	5	331 012	328 582	328 582	175	232 908	191 673	41 235	21,5%	328 582
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		-	67 471	67 471	-	-	39 358	(39 358)	-100,0%	67 471
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-		-
Municipal Infrastructure Grant		-	48 709	48 709	-	-	28 414	(28 414)	-100,0%	48 709
Water Services Infrastructure Grant		-	18 762	18 762	-	-	10 944	(10 944)	-100,0%	18 762
<b>Provincial Government:</b>		-	-	-	-	-	-	-		-
Infrastructure Grant		-	-	-	-	-	-	-		-
<b>District Municipality:</b>		-	-	-	-	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
<b>Other grant providers:</b>		-	-	-	-	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
<b>Total Capital Transfers and Grants</b>	5	-	67 471	67 471	-	-	39 358	(39 358)	-100,0%	67 471
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	331 012	396 053	396 053	175	232 908	231 031	1 877	0,8%	396 053

- R80 000 for MIG was received as Capital Grant for the month under review.
- Correcting journals are processed monthly to recognize capital grant receipts in the Statement of Financial Performance, once all conditions of the grant have been met.

## **10. Councillor and board member allowances and employee benefits**

31 January 2026

**REPORT ON STAFF BENEFITS: Staff costs analysis for the month (MFMA Section 66)**

Summary of Section 66 of the MFMA - Salaries and Wages (Staff Benefits)

DESCRIPTION	Budget 2025/2026	Actual 31-Jan-26	YTD 31-Jan-26	% Exp
<b>EMPLOYEE RELATED COST</b>				
<b>SENIOR MANAGEMENT</b>				
SM - SALARIES ALLOW AND SERV BENEFITS				
<b>MM - SALARIES ALLOW AND SERV BENEFITS</b>				
SM MM: SAL & ALL - BASIC SALARY	1 094 538,00	100 630,80	546 428,70	49,92
SM MM: SAL & ALL - PERFORM BASED BONUS	156 963,00	0,00	0,00	0,00
SM MM: ALLOW - CELLULAR & TELEPHONE	34 911,00	3 000,00	21 000,00	60,15
SM MM: ALLOW - HOUSING BENEFITS	0,00	0,00	0,00	#DIV/0!
SM MM: ALLOW - TRAVEL OR MOTOR VEHICLE	279 499,00	20 833,33	145 833,31	52,18
SM MM: SRB - LONG SERVICE	0,00	0,00	47 650,28	#DIV/0!
<b>SUB TOTAL: MM - SAL ALLOW &amp; SERV BENEF</b>	<b>1 565 911,00</b>	<b>124 464,13</b>	<b>760 912,29</b>	<b>48,59</b>
<b>CFO - SALARIES ALLOW AND SERV BENEFITS</b>				
SM CFO: SAL & ALL - BASIC SALARY	947 185,00	-	-	-
SM CFO: SAL & ALL - PERFORM BASED BONUS	57 736,00	-	-	-
SM CFO: ALLOW - CELLULAR & TELEPHONE	6 982,00	-	-	-
SM CFO: ALLOW - HOUSING BENEFITS	-	-	-	-
SM CFO: ALLOW - TRAVEL OR MOTOR VEHICLE	58 186,00	-	-	-
SM CFO: SRB - ENTERTAINMENT	16 546,00	-	-	-
SM CFO: SRB - ACTING & POST RELATE ALLOW				
<b>SUB TOTAL: CFO - SAL ALLOW &amp; SERV BENEF</b>	<b>1 086 635,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
<b>D01 - SALARIES ALLOW AND SERV BENEFITS</b>				
SM D01: SAL & ALL - BASIC SALARY	996 166,00	76 124,00	383 819,25	38,53
SM D01: SAL & ALL - PERFORM BASED BONUS	57 846,00	0,00	0,00	0,00
SM D01: ALLOW - CELLULAR & TELEPHONE	10 473,00	1 000,00	7 000,00	66,84
SM D01: ALLOW - HOUSING BENEFITS	0,00	0,00	0,00	#DIV/0!
SM D01: ALLOW - TRAVEL OR MOTOR VEHICLE	167 686,00	29 842,58	178 103,12	106,21
SM D01: SRB - ENTERTAINMENT	0,00	-	-	-
SM D01: SRB - ACTING & POST RELATE ALLOW				
<b>SUB TOTAL: DTS - SAL ALLOW &amp; SERV BENEF</b>	<b>1 232 171,00</b>	<b>106 966,58</b>	<b>568 922,37</b>	<b>46,17</b>

<b>DO2 - SALARIES ALLOW AND SERV BENEFITS</b>				
SM D02: SAL & ALL - BASIC SALARY	860 513,00	77 910,30	493 923,30	57,40
SM D02: SAL & ALL - PERFORM BASED BONUS	0,00	0,00	0,00	#DIV/0!
SM D02: ALLOW - CELLULAR & TELEPHONE	19 482,00	1 000,00	6 000,00	30,80
SM D02: ALLOW - HOUSING BENEFITS	109 157,00	0,00	0,00	0,00
SM D02: ALLOW - TRAVEL OR MOTOR VEHICLE	584 512,00	50 633,08	270 629,70	46,30
SM D02: ALLOW - ACCOM TRAVEL & INCIDENT.	-	-	-	#DIV/0!
SM D02: SRB - ENTERTAINMENT	11 030,00	-	0,00	0,00
SM D02: SRB - ACTING & POST RELATE ALLOW	0,00	0,00	0,00	#DIV/0!
<b>SUB TOTAL: DPS - SAL ALLOW &amp; SERV BENEF</b>	<b>1 584 694,00</b>	<b>129 543,38</b>	<b>770 553,00</b>	<b>48,62</b>
<b>DO3 - SALARIES ALLOW AND SERV BENEFITS</b>				
SM D03: SAL & ALL - BASIC SALARY	941 891,00	-	-	0,00
SM D03: SAL & ALL - PERFORM BASED BONUS	56 480,00	-	-	0,00
SM D03: ALLOW - CELLULAR & TELEPHONE	5 691,00	-	-	0,00
SM D03: ALLOW - HOUSING BENEFITS	184 263,00	-	-	0,00
SM D03: ALLOW - TRAVEL OR MOTOR VEHICLE	104 643,00	-	-	0,00
SM D03: SRB - ENTERTAINMENT	-	-	-	#DIV/0!
SM D03: SRB - ACTING & POST RELATE ALLOW	-	-	-	#DIV/0!
<b>SUB TOTAL: DCH - SAL ALLOW &amp; SERV BENEF</b>	<b>1 292 968,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
<b>DO4 - SALARIES ALLOW AND SERV BENEFITS</b>				
SM D04: SAL & ALL - BASIC SALARY	986 330,00	-	-	0,00
SM D04: SAL & ALL - PERFORM BASED BONUS	8 600,00	-	-	0,00
SM D04: ALLOW - CELLULAR & TELEPHONE	9 000,00	-	-	0,00
SM D04: ALLOW - HOUSING BENEFITS	86 068,00	-	-	0,00
SM D04: ALLOW - TRAVEL OR MOTOR VEHICLE	63 948,00	-	-	0,00
SM D04: SRB - ENTERTAINMENT	-	-	-	#DIV/0!
<b>SUB TOTAL: DCS - SAL ALLOW &amp; SERV BENEF</b>	<b>1 153 946,00</b>			<b>0,00</b>
<b>SUB TOTAL: SM - SAL ALLOW &amp; SERV BENEF</b>	<b>7 916 325,00</b>	<b>360 974,09</b>	<b>2 100 387,66</b>	<b>26,53</b>
<b>SM - SOCIAL CONTRIBUTIONS</b>				
<b>MM - SOCIAL CONTRIBUTIONS</b>				
SM MM: SOC CONTR: MEDICAL	72 276,00	0,00	0,00	0,00
SM MM: SOC CONTR: PENSION FUNDS	122 187,00	17 808,44	96 526,58	79,00

SM MM: SOC CONTR: UIF	2 547,00	177,12	1 239,84	48,68
<b>SUB TOTAL: MM - SOCIAL CONTRIBUTIONS</b>	<b>197 010,00</b>	<b>17 985,56</b>	<b>97 766,42</b>	<b>49,63</b>
<b>CFO - SOCIAL CONTRIBUTIONS</b>				
SM CFO: SOC CONTR: GROUP LIFE INSURANCE	-	-	-	-
SM CFO: SOC CONTR: MEDICAL	6 995,00	-	-	-
SM CFO: SOC CONTR: PENSION FUNDS	139 648,00	-	-	-
SM CFO: SOC CONTR: UIF	2 576,00	-	-	-
SM CFO: SOC CONTR: BARGAINING COUNCIL	-	-	-	-
<b>SUB TOTAL: CFO - SOCIAL CONTRIBUTIONS</b>	<b>149 219,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
<b>D01 - SOCIAL CONTRIBUTIONS</b>				
SM D01: SOC CONTR: GROUP LIFE INSURANCE	0,00	0,00	0,00	#DIV/0!
SM D01: SOC CONTR: MEDICAL	73 416,00	177,12	1 062,72	1,45
SM D01: SOC CONTR: PENSION FUNDS	151 541,00	13 397,22	78 028,80	51,49
SM D01: SOC CONTR: UIF	2 588,00	0,00	177,12	6,84
SM D01: SOC CONTR: BARGAINING COUNCIL	0,00	0,00	0,00	#DIV/0!
<b>SUB TOTAL: DTS - SOCIAL CONTRIBUTIONS</b>	<b>227 545,00</b>	<b>13 574,34</b>	<b>79 268,64</b>	<b>34,84</b>
<b>D02 - SOCIAL CONTRIBUTIONS</b>				
SM D02: SOC CONTR: GROUP LIFE INSURANCE	0,00	0,00	0,00	#DIV/0!
SM D02: SOC CONTR: MEDICAL	38 965,00	0,00	0,00	0,00
SM D02: SOC CONTR: PENSION FUNDS	74 671,00	0,00	0,00	0,00
SM D02: SOC CONTR: UIF	2 586,00	177,12	1 239,84	47,94
SM D02: SOC CONTR: BARGAINING COUNCIL	0,00	0,00	0,00	#DIV/0!
<b>SUB TOTAL: DPS - SOCIAL CONTRIBUTIONS</b>	<b>116 222,00</b>	<b>177,12</b>	<b>1 239,84</b>	<b>1,07</b>
<b>D03 - SOCIAL CONTRIBUTIONS</b>				
SM D03: SOC CONTR: GROUP LIFE INSURANCE				
SM D03: SOC CONTR: MEDICAL	22 093,00	-	-	0,00
SM D03: SOC CONTR: PENSION FUNDS	-	-	-	#DIV/0!
SM D03: SOC CONTR: UIF	1 280,00	-	-	0,00
SM D03: SOC CONTR: BARGAINING COUNCIL	-	-	-	#DIV/0!
<b>SUB TOTAL: DCH - SOCIAL CONTRIBUTIONS</b>	<b>23 373,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
<b>SUB TOTAL: SM - SOCIAL CONTRIBUTIONS</b>	<b>713 369,00</b>	<b>31 737,02</b>	<b>178 274,90</b>	<b>24,99</b>
<b>SM - POST RETIREMENT BENEFITS</b>				
SM: PRB - MED: CURRENT SERVICE COST				

SM: PRB - MED: INTEREST COST	5 250 508,00	474 892,36	1 908 560,04	36,35
SM: PRB - PENS: INTEREST COST	781 263,00	-	-	-
<b>SUB TOTAL : SM - POST RETIREMENT BENEFIT</b>	<b>6 031 771,00</b>	<b>474 892,36</b>	<b>1 908 560,04</b>	<b>31,64</b>
SM: PST RET BEN OBL CST CAP PPE				
<b>SUB TOTAL : SM - COST CAPITALISED TO PPE</b>				
<b>SUB TOTAL : SENIOR MANAGEMENT</b>	<b>14 661 465,00</b>	<b>867 603,47</b>	<b>4 187 222,60</b>	<b>28,56</b>
<b>MUNICIPAL STAFF</b>				
<b>MS - SALARIES ALLOW AND SERV BENEFITS</b>				
MS: SAL & ALL: BASIC SALARY & WAGES	258 251 928,00	21 229 663,54	151 024 086,02	58,48
MS: SAL & ALL: PERFORMANCE BASED BONUSES	30 121,00	0,00	54 857,05	182,12
MS: ALL - CELLULAR & TELEPHONE	800 052,00	42 035,60	353 957,96	44,24
MS: HB & INC: HOUSING BENEFITS	2 091 443,00	143 812,23	958 637,54	45,84
MS: ALL - LEAVE PAY	4 315 814,00	660 343,01	5 256 797,45	121,80
MS: ALL - TRAVEL OR MOTOR VEHICLE	25 556 843,00	2 016 471,18	13 642 370,90	53,38
MS: OVERTIME - NON STRUCTURED	31 687 614,00	4 492 156,03	28 695 690,13	90,56
MS: OVERTIME - STRUCTURED	64 895,00	0,00	3 292,83	5,07
MS: PAYMENTS - SHIFT ADD REMUNERATIO	-	-	-	#DIV/0!
MS: SRB - ANNUAL BONUS	22 708 446,00	689 716,75	14 232 087,93	62,67
MS: SRB - LONG SERVICE AWARD	0,00	0,00	0,00	#DIV/0!
MS: SRB - STANDBY ALLOWANCE	4 447 026,00	629 224,55	5 512 075,30	123,95
MS: IN-KIND BENEFITS	3 545,00	-	-	0,00
MS: SRB - NON PENSIONABLE	1 840,00	-	-	0,00
MS: SRB - LSA CURR SERV	1 953 422,00	357 409,20	4 273 886,03	218,79
<b>SUB TOTAL : MS - SAL ALLOW &amp; SERV BENEF</b>	<b>351 912 989,00</b>	<b>30 260 832,09</b>	<b>224 007 739,14</b>	<b>63,65</b>
<b>MS - SOCIAL CONTRIBUTIONS</b>				#DIV/0!
MS: SOC CONTR - BARGAINING COUNCIL	166 344,00	11 658,95	81 888,85	49,23
MS: SOC CONTR - GROUP LIFE INSURANCE	1 488 851,00	83 963,93	605 067,55	40,64
MS: SOC CONTR - MEDICAL	28 189 091,00	2 585 654,35	17 029 961,03	60,41
MS: SOC CONTR - PENSION	45 670 003,00	3 895 049,00	27 414 857,04	60,03
MS: SOC CONTR - UNEMPLOYMENT INSUR FUND	2 488 849,00	164 691,06	1 167 284,52	46,90
<b>SUB TOTAL : MS - SOCIAL CONTRIBUTIONS</b>	<b>78 003 138,00</b>	<b>6 741 017,29</b>	<b>46 299 058,99</b>	<b>59,36</b>
MS: PRB - MED: CURRENT SERVICE COST				#DIV/0!
MS: PRB - MED: INTEREST COST	4 689 734,00	-2 340,00	447 575,86	9,54

MS: PRB - PENS: INTEREST COST				#DIV/0!
MS: PRB - OTHER: LEAVE GRATUITY		0,00	0,00	#DIV/0!
<b>SUB TOTAL : MS - POST RETIREMENT BEN</b>	<b>4 689 734,00</b>	<b>-2 340,00</b>	<b>447 575,86</b>	<b>9,54</b>
<b>MS - COST CAPITALISED TO PPE</b>				#DIV/0!
MS: IN-KIND BENEFITS CST CAP PPE	142 512,00	1 197,50	25 739,13	18,06
<b>SUB TOTAL : MS - COST CAPITALISED TO PPE</b>	<b>142 512,00</b>	<b>1 197,50</b>	<b>25 739,13</b>	<b>18,06</b>
<b>SUB TOTAL : MUNICIPAL STAFF</b>	<b>434 748 373,00</b>	<b>37 000 706,88</b>	<b>270 780 113,12</b>	<b>62,28</b>
<b>SUB TOTAL : EMPLOYEE RELATED COST</b>	<b>449 409 838,00</b>	<b>37 868 310,35</b>	<b>274 967 335,72</b>	<b>61,18</b>

**31 January 2026**

**REPORT ON STAFF BENEFITS: Staff costs analysis for the quarter (MFMA Section 66)**

Summary of Section 66 of the MFMA - Salaries and Wages (Staff Benefits)

**Analysis of overtime per department**

**Description**

Municipal Manager

Corporate Services

Financial Services

Technical Services

Community Services

LED & Planning

Temporary

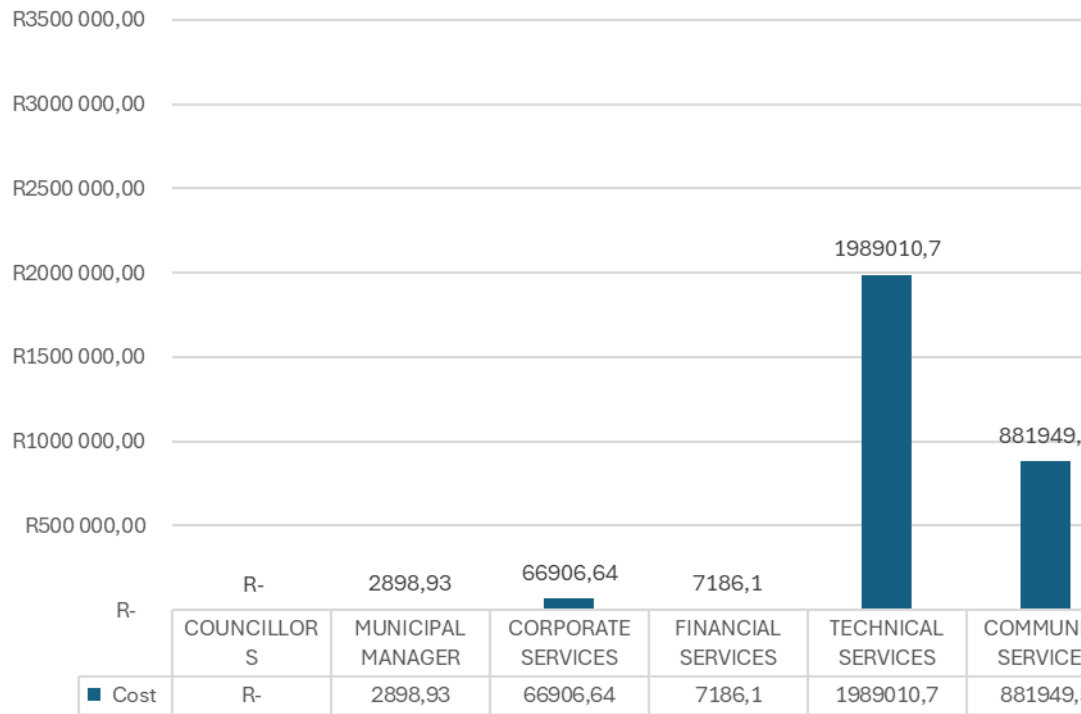
**Total**

31-Jan-26	
Hours	Cost
18	2898,93
411,00	66906,64
674,00	7186,1
11643,4	
0	1989010,7
4419,72	881949,5
210,00	39660,57
62,00	10156,63
	2
<b>17 438</b>	<b>997 769</b>

The overtime needs to be administered and only real emergencies be attended to after hours, on weekends and on holidays.

Each department needs to do proper planning to manage their own budget in order to avoid unnecessary expenditure, thus ensuring that they stay within the budget for the year, to avoid overspending.

### Analysis of overtime per department





**FS201 Moqhaka - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M07 January**

Summary of Employee and Councillor remuneration	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1	A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		4 043	7 774	7 774	1 001	6 240	4 535	1 705	38%	7 774
Pension and UIF Contributions		1 756	1 934	1 934	19	262	1 128	(866)	-77%	1 934
Medical Aid Contributions		752	1 255	1 255	64	435	732	(297)	-41%	1 255
Motor Vehicle Allowance		13 760	14 795	14 795	75	1 948	8 631	(6 682)	-77%	14 795
Cellphone Allowance		2 105	3 031	3 031	159	1 126	1 768	(642)	-36%	3 031
Housing Allowances								-		
Other benefits and allowances		28	695	695	522	3 128	406	2 723	671%	695
<b>Sub Total - Councillors</b>		<b>22 444</b>	<b>29 484</b>	<b>29 484</b>	<b>1 841</b>	<b>13 140</b>	<b>17 199</b>	<b>(4 060)</b>	<b>-24%</b>	<b>29 484</b>
<b>% increase</b>	4		<b>31,4%</b>	<b>31,4%</b>						<b>31,4%</b>
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		1 702	5 827	5 827	255	1 424	3 399	(1 975)	-58%	5 827
Pension and UIF Contributions		266	500	500	32	177	291	(114)	-39%	500
Medical Aid Contributions		-	214	214	0	1	125	(124)	-99%	214
Overtime								-		
Performance Bonus		127	338	338	-	-	197	(197)	-100%	338
Motor Vehicle Allowance		953	1 258	1 258	101	645	734	(89)	-12%	1 258
Cellphone Allowance		62	87	87	5	35	50	(15)	-31%	87
Housing Allowances		-	379	379	-	-	221	(221)	-100%	379
Other benefits and allowances		-	-	-	-	-	-	-		-
Payments in lieu of leave		-	-	-	-	-	-	-		-
Long service awards		-	-	-	-	48	-	48	#DIV/0!	-
Post-retirement benefit obligations	2	26 574	6 032	6 032	475	1 909	3 519	(1 610)	-46%	6 032
Entertainment		1	28	28	-	-	16	(16)	-100%	28
Scarcity		-	-	-	-	-	-	-		-
Acting and post related allowance		-	-	-	-	-	-	-		-
In kind benefits		-	-	-	-	-	-	-		-
<b>Sub Total - Senior Managers of Municipality</b>		<b>29 685</b>	<b>14 661</b>	<b>14 661</b>	<b>868</b>	<b>4 239</b>	<b>8 553</b>	<b>(4 314)</b>	<b>-50%</b>	<b>14 661</b>
<b>% increase</b>	4		<b>-50,6%</b>	<b>-50,6%</b>						<b>-50,6%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		249 693	258 252	258 252	21 230	151 024	150 647	377	0%	258 252
Pension and UIF Contributions		47 250	49 648	49 648	4 144	29 187	28 962	226	1%	49 648
Medical Aid Contributions		28 691	28 189	28 189	2 586	17 030	16 444	586	4%	28 189
Overtime		38 218	31 753	31 753	4 492	28 699	18 522	10 177	55%	31 753
Performance Bonus		20 335	22 739	22 739	690	14 287	13 264	1 023	8%	22 739
Motor Vehicle Allowance		21 447	25 557	25 557	2 016	13 642	14 908	(1 266)	-8%	25 557
Cellphone Allowance		493	800	800	42	354	467	(113)	-24%	800
Housing Allowances		1 722	2 091	2 091	144	959	1 220	(262)	-21%	2 091
Other benefits and allowances		4 879	4 615	4 615	641	5 594	2 692	2 902	108%	4 615
Payments in lieu of leave		8 351	4 316	4 316	660	5 257	2 518	2 739	109%	4 316
Long service awards		2 009	1 953	1 953	357	4 274	1 140	3 134	275%	1 953
Post-retirement benefit obligations	2	15	4 690	4 690	(2)	448	2 736	(2 288)	-84%	4 690
Entertainment		-	-	-	-	-	-	-		-
Scarcity		-	-	-	-	-	-	-		-
Acting and post related allowance		-	-	-	-	-	-	-		-
In kind benefits		-	4	4	-	-	2	(2)	-100%	4
<b>Sub Total - Other Municipal Staff</b>		<b>423 103</b>	<b>434 606</b>	<b>434 606</b>	<b>37 000</b>	<b>270 754</b>	<b>253 522</b>	<b>17 233</b>	<b>7%</b>	<b>434 606</b>
<b>% increase</b>	4		<b>2,7%</b>	<b>2,7%</b>						<b>2,7%</b>
<b>Total Parent Municipality</b>		<b>475 232</b>	<b>478 752</b>	<b>478 752</b>	<b>39 708</b>	<b>288 133</b>	<b>279 274</b>	<b>8 859</b>	<b>3%</b>	<b>478 752</b>

The BTO office recommended the following precautionary measures.

- The monitoring of daily tasks/assignments. This means that work that can be done during normal working hours should be monitored closely. Ideally, put emphasis on performance and especially the quality of work done.
- Finding means to actually verify work performed, even if this means that for the first few questionable overtime work that managers/supervisors actually go out to the site, if possible. Using the vehicle tracking reports to ascertain the timespan at a particular site.
- Making sure that the hours claimed are legitimate and is consistent and correlates to the normal estimated time to complete a job of a similar nature.
- Request a detailed description of the nature of work done and insist on the exact site where work was performed being specified.
- Ensure that managers remain vigilant, and question hours claimed and not just sign Overtime forms. We believe that this will make workers more aware that they cannot just claim hours like they did in the past.
- Stopping planned Overtime, unless it is to avoid major shutdowns or service interruptions.
- The adherence to the Overtime Policy stipulations, is imperative to address the issues on overtime.

Listed below are the challenges with regard to Overtime which was identified during the 2025/26 MTREF.

- Ensuring accountability across all directorates and ensuring that Executive directors, Line Managers and Supervisors take full responsibility.
- Identify and investigate possible abuse and alleged fraudulent allegations and taking disciplinary action, where applicable.
- Ensuring the compliance and adherence to applicable laws and regulations and internal policies.
- Approval of Overtime prior to it being incurred.
- Inability to manage overtime proactively.
- Curbing / Limiting / Curtailing expenditure on Overtime.
- Monitoring expenditure on Overtime.
- Utilizing the available workforce optimally.
- Implementing an alternative method of compensation.
- Addressing the immediate infrastructure maintenance requirements, specifically addressing preventative maintenance.
- Improve both the personal productivity of individual employees and the overall productivity of departments and the entire municipal system.

## **11. Material Variances to the Service Delivery and Budget Implementation Plan**

Material variances pertaining to financial performance are primarily addressed in the Executive summary under Sections 4.1 to 4.3 or emphasised elsewhere in this Monthly Budget Statement. Any other material variances to the SDBIP will be included in the quarterly Section 52 (d) report for the period ending 30 September 2024.

## **12. Capital programme performance.**

Implementation of projects is normally delayed due to the finalization of procurement processes. Payment certificates are settled once work is completed. Capex for the first quarter is normally slow for this reason, in that commencement of procurement processes is not aligned to the budget approval and specifications are not done early so that it can be advertised timeously.

## **13. Other Supporting Documentation**

## 14. Conclusion

This report meets the MFMA requirement for the Executive Mayor to receive the Section 71 'Monthly Budget Statement' within 10 working days after the end of the month.

### Communication

In compliance to legislative requirements (Section 71 of the MFMA), this document is provided to all stakeholders by placing it on the municipal website: [www.moqhaka.gov.za](http://www.moqhaka.gov.za)

MFMA S71 statement hereby explicitly advise as part of the MFMA Circular 124: Condition 6.9 reporting, risk associated and mitigating factors with the implementation of the municipality's Budget Funding Plan and / or Funded Budget

1. These are the risks associated with the implementation of the municipality's Budget Funding Plan and / or Funded Budget

The following are the budget and other financial issues:

- Water and Electricity losses
- Collection on arrear debtors and liquidity of the Municipality
- The municipality not meeting the average daily cash collection target
- Defaulting on the high months and partial payments to ESKOM
- Non-compliance to MFMA Circular 124 Municipal Debt Relief and prescribed conditions
- Notice of disconnection from ESKOM
- Risk of forfeiting our NERSA license and the serious implications this will have on the operations of the municipality
- Insufficient cash to pay salaries and creditors for goods and services rendered
- Stopping of conditional capital grants.
- Disapproval of rollover requests
- The billed income of electricity and water in rand values are below the budgeted amounts which puts additional pressure on the budget and cash flow.
- The municipality is facing a huge financial crisis. If drastic measures are not taken immediately because the cash flow is on the verge of collapsing.
- Issues pertaining to Employee related costs, Overtime expenditure, Contract appointments and EPWP Expenditure

**15. Annexure A: C-schedules**

FS201 Moqhaka - Table C1 Monthly Budget Statement Summary - M07 January

Description	2024/25		Budget Year 2025/26						
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	93 605	94 806	94 806	8 233	57 559	55 304	2 256	4%	94 806
Service charges	723 166	876 199	876 199	94 995	466 202	511 116	(44 914)	-9%	876 199
Investment revenue	39	63	63	-	-	37	(37)	-100%	63
Transfers and subsidies - Operational	331 012	328 582	328 582	175	232 908	191 673	41 235	0	328 582
Other own revenue	131 200	130 301	130 301	10 381	71 304	76 009	(4 705)	-6%	130 301
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 279 022</b>	<b>1 429 951</b>	<b>1 429 951</b>	<b>113 785</b>	<b>827 973</b>	<b>834 138</b>	<b>(6 165)</b>	<b>-1%</b>	<b>1 429 951</b>
Employee costs	452 951	449 410	449 410	37 868	275 019	262 158	12 861	5%	449 410
Remuneration of Councillors	22 444	29 484	29 484	1 841	13 140	17 199	(4 060)	-24%	29 484
Depreciation and amortisation	112 242	10 305	10 305	-	-	6 011	(6 011)	-100%	10 305
Interest	99 037	8 790	8 790	(120 045)	3 850	5 128	(1 278)	-25%	8 790
Inventory consumed and bulk purchases	504 814	454 759	450 864	4 002	79 626	263 586	(183 959)	-70%	450 864
Transfers and subsidies	244	1 095	1 095	5	10	639	(629)	-98%	1 095
Other expenditure	506 333	432 991	448 787	23 061	168 949	259 629	(90 680)	-35%	448 787
<b>Total Expenditure</b>	<b>1 698 065</b>	<b>1 386 834</b>	<b>1 398 736</b>	<b>(53 269)</b>	<b>540 594</b>	<b>814 350</b>	<b>(273 756)</b>	<b>-34%</b>	<b>1 398 736</b>
<b>Surplus/(Deficit)</b>	<b>(419 043)</b>	<b>43 117</b>	<b>31 215</b>	<b>167 054</b>	<b>287 378</b>	<b>19 788</b>	<b>267 591</b>	<b>1352%</b>	<b>31 215</b>
Transfers and subsidies - capital (monetary)	48 042	66 532	66 532	80	261	38 810	##	-99%	66 532
Transfers and subsidies - capital (in-kind)	14	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(370 987)</b>	<b>109 649</b>	<b>97 747</b>	<b>167 133</b>	<b>287 639</b>	<b>58 598</b>	<b>229 041</b>	<b>391%</b>	<b>97 747</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>(370 987)</b>	<b>109 649</b>	<b>97 747</b>	<b>167 133</b>	<b>287 639</b>	<b>58 598</b>	<b>229 041</b>	<b>391%</b>	<b>97 747</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>4 900</b>	<b>95 021</b>	<b>83 120</b>	<b>1 537</b>	<b>24 360</b>	<b>50 090</b>	<b>(25 730)</b>	<b>-51%</b>	<b>83 120</b>
Capital transfers recognised	136	66 532	54 344	-	4 121	33 393	(29 272)	-88%	54 344
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	4 763	28 489	28 776	1 537	20 239	16 696	3 542	21%	28 776
<b>Total sources of capital funds</b>	<b>4 900</b>	<b>95 021</b>	<b>83 120</b>	<b>1 537</b>	<b>24 360</b>	<b>50 090</b>	<b>(25 730)</b>	<b>-51%</b>	<b>83 120</b>
<b>Financial position</b>									
Total current assets	799 221	467 905	467 905	-	1 069 707	-	-	-	467 905
Total non current assets	1 940 457	3 107 101	3 095 200	-	1 985 521	-	-	-	3 095 200
Total current liabilities	1 974 643	538 944	538 944	-	2 002 555	-	-	-	538 944
Total non current liabilities	152 821	73 466	73 466	-	152 821	-	-	-	73 466
Community wealth/Equity	1 453 965	2 967 331	2 967 331	-	901 154	-	-	-	2 967 331
<b>Cash flows</b>									
Net cash from (used) operating	(87 585)	(379 265)	(379 265)	(16 332)	(259 333)	(221 238)	38 095	-17%	(379 265)
Net cash from (used) investing	(7 184)	(86 529)	(86 529)	(1 537)	(24 503)	(50 475)	(25 972)	51%	(86 529)
Net cash from (used) financing	(1 677)	(2 121)	(2 121)	(269)	(1 783)	(1 237)	545	-44%	(2 121)
<b>Cash/cash equivalents at the month/year end</b>	<b>(106 351)</b>	<b>(492 678)</b>	<b>(492 678)</b>	<b>(311 058)</b>	<b>(308 776)</b>	<b>(297 714)</b>	<b>11 062</b>	<b>-4%</b>	<b>(491 072)</b>
<b>Debtors &amp; creditors analysis</b>									
	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	80 448	55 284	49 982	1 839 534	-	-	-	-	2 025 247
<b>Creditors Age Analysis</b>									
Total Creditors	67 419	62 384	61 023	2 530	-	-	-	#####	2 246 043



**FS201 Moqhaka - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M07 January**

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		<b>429 619</b>	<b>335 761</b>	<b>335 761</b>	<b>9 618</b>	<b>224 305</b>	<b>195 861</b>	28 444	15%	<b>335 761</b>
Executive and council		313 681	215 840	215 840	147	156 371	125 907	30 464	24%	215 840
Finance and administration		115 938	119 921	119 921	9 470	67 934	69 954	(2 020)	-3%	119 921
Internal audit		-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>		<b>12 176</b>	<b>26 179</b>	<b>26 179</b>	<b>1 263</b>	<b>6 296</b>	<b>15 271</b>	(8 975)	-59%	<b>26 179</b>
Community and social services		1 816	3 730	3 730	127	1 107	2 176	(1 069)	-49%	3 730
Sport and recreation		2 356	3 511	3 511	883	1 870	2 048	(179)	-9%	3 511
Public safety		3 211	5 123	5 123	51	325	2 988	(2 664)	-89%	5 123
Housing		4 792	13 815	13 815	201	2 995	8 059	(5 064)	-63%	13 815
Health		-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>		<b>48 520</b>	<b>51 052</b>	<b>51 052</b>	<b>263</b>	<b>1 886</b>	<b>29 780</b>	(27 895)	-94%	<b>51 052</b>
Planning and development		1 932	1 773	1 773	118	902	1 034	(133)	-13%	1 773
Road transport		46 589	49 164	49 164	145	984	28 679	(27 694)	-97%	49 164
Environmental protection		-	115	115	-	-	67	(67)	-100%	115
<i><b>Trading services</b></i>		<b>836 763</b>	<b>1 083 491</b>	<b>1 083 491</b>	<b>102 720</b>	<b>595 747</b>	<b>632 036</b>	<b>(36 289)</b>	-6%	<b>1 083 491</b>
Energy sources		440 915	575 441	575 441	72 489	319 812	335 674	(15 862)	-5%	575 441
Water management		241 620	306 472	306 472	16 951	146 054	178 775	(32 721)	-18%	306 472
Waste water management		90 301	116 972	116 972	7 782	75 248	68 234	7 014	10%	116 972
Waste management		63 926	84 606	84 606	5 498	54 633	49 353	5 280	11%	84 606
<i><b>Other</b></i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	<b>1 327 078</b>	<b>1 496 483</b>	<b>1 496 483</b>	<b>113 865</b>	<b>828 233</b>	<b>872 948</b>	<b>(44 715)</b>	<b>-5%</b>	<b>1 496 483</b>
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		<b>430 219</b>	<b>369 217</b>	<b>368 981</b>	<b>(93 814)</b>	<b>175 153</b>	<b>215 323</b>	(40 170)	-19%	<b>368 981</b>
Executive and council		93 305	116 725	116 775	(114 440)	59 878	68 112	(8 234)	-12%	116 775
Finance and administration		332 818	247 021	246 735	20 214	112 640	144 019	(31 379)	-22%	246 735
Internal audit		4 096	5 471	5 471	412	2 634	3 191	(557)	-17%	5 471
<i><b>Community and public safety</b></i>		<b>112 790</b>	<b>131 037</b>	<b>130 937</b>	<b>9 086</b>	<b>62 710</b>	<b>76 398</b>	(13 688)	-18%	<b>130 937</b>
Community and social services		17 457	19 911	19 991	908	7 020	11 630	(4 610)	-40%	19 991
Sport and recreation		46 140	54 314	54 134	3 794	25 351	31 628	(6 277)	-20%	54 134
Public safety		40 581	46 363	46 363	3 569	24 840	27 045	(2 205)	-8%	46 363
Housing		8 612	10 448	10 448	815	5 499	6 095	(596)	-10%	10 448
Health		-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>		<b>98 769</b>	<b>73 339</b>	<b>85 577</b>	<b>6 060</b>	<b>43 119</b>	<b>48 217</b>	(5 098)	-11%	<b>85 577</b>
Planning and development		9 741	13 203	13 203	980	5 959	7 702	(1 743)	-23%	13 203
Road transport		86 206	55 796	67 984	4 892	35 436	37 965	(2 529)	-7%	67 984
Environmental protection		2 822	4 339	4 389	189	1 724	2 550	(825)	-32%	4 389
<i><b>Trading services</b></i>		<b>1 054 970</b>	<b>809 881</b>	<b>809 881</b>	<b>25 295</b>	<b>258 927</b>	<b>472 452</b>	<b>(213 524)</b>	-45%	<b>809 881</b>
Energy sources		584 377	522 453	522 453	4 652	104 606	304 765	(200 158)	-66%	522 453
Water management		224 254	125 979	125 979	7 523	65 932	73 488	(7 556)	-10%	125 979
Waste water management		139 159	78 647	78 647	8 052	47 088	45 877	1 211	3%	78 647
Waste management		107 180	82 802	82 802	5 068	41 300	48 321	(7 021)	-15%	82 802
<i><b>Other</b></i>		<b>1 316</b>	<b>3 361</b>	<b>3 361</b>	<b>103</b>	<b>685</b>	<b>1 961</b>	<b>(1 276)</b>	<b>-65%</b>	<b>3 361</b>
<b>Total Expenditure - Functional</b>	3	<b>1 698 065</b>	<b>1 386 834</b>	<b>1 398 736</b>	<b>(53 269)</b>	<b>540 594</b>	<b>814 351</b>	<b>(273 757)</b>	<b>-34%</b>	<b>1 398 736</b>
<b>Surplus/ (Deficit) for the year</b>		<b>(370 987)</b>	<b>109 649</b>	<b>97 747</b>	<b>167 133</b>	<b>287 639</b>	<b>58 598</b>	<b>229 041</b>	<b>3,9087139</b>	<b>97 747</b>



**FS201 Moqhaka - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M07 January**

Vote Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue by Vote</b>										
	1									
Vote 01 - Executive & Council		306 737	215 840	215 840	147	156 371	125 907	30 464	24,2%	215 840
Vote 02 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		(2 178)	4 725	4 725	(503)	(2 386)	2 756	(5 143)	-186,6%	4 725
Vote 04 - Finance		117 673	114 432	114 432	9 972	70 064	66 752	3 312	5,0%	114 432
Vote 05 - Technical Services		819 425	1 048 049	1 048 049	97 367	542 098	611 362	(69 264)	-11,3%	1 048 049
Vote 06 - Community Services		75 933	93 973	93 973	5 693	56 052	54 818	1 234	2,3%	93 973
Vote 07 - Local Economic Development		9 488	19 464	19 464	1 188	6 036	11 354	(5 318)	-46,8%	19 464
Vote 08 - .		-	-	-	-	-	-	-	-	-
Vote 09 - .		-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>1 327 078</b>	<b>1 496 483</b>	<b>1 496 483</b>	<b>113 865</b>	<b>828 233</b>	<b>872 948</b>	<b>(44 715)</b>	<b>-5,1%</b>	<b>1 496 483</b>
<b>Expenditure by Vote</b>										
	1									
Vote 01 - Executive & Council		94 598	108 137	108 137	(115 218)	53 720	63 081	(9 360)	-14,8%	108 137
Vote 02 - Municipal Manager		24 596	31 004	31 004	1 903	13 859	18 086	(4 227)	-23,4%	31 004
Vote 03 - Corporate Services		68 360	79 395	79 395	3 527	26 595	46 314	(19 719)	-42,6%	79 395
Vote 04 - Finance		176 711	79 522	79 236	7 265	40 729	46 311	(5 582)	-12,1%	79 236
Vote 05 - Technical Services		1 043 646	794 247	806 435	26 810	263 588	468 728	(205 141)	-43,8%	806 435
Vote 06 - Community Services		253 785	247 195	247 195	19 213	121 483	144 218	(22 735)	-15,8%	247 195
Vote 07 - Local Economic Development		36 369	47 334	47 334	3 232	20 620	27 612	(6 992)	-25,3%	47 334
Vote 08 - .		-	-	-	-	-	-	-	-	-
Vote 09 - .		-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>1 698 065</b>	<b>1 386 834</b>	<b>1 398 736</b>	<b>(53 269)</b>	<b>540 594</b>	<b>814 350</b>	<b>(273 756)</b>	<b>-33,6%</b>	<b>1 398 736</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>(370 987)</b>	<b>109 649</b>	<b>97 747</b>	<b>167 133</b>	<b>287 639</b>	<b>58 598</b>	<b>229 041</b>	<b>390,9%</b>	<b>97 747</b>

**FS201 Moqhaka - Table C6 Monthly Budget Statement - Financial Position - M07 January**

Description	Ref	Budget Year 2025/26				
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		(23 158)	2 905	2 905	20 081	2 905
Trade and other receivables from exchange transactions		640 991	247 218	247 218	828 407	247 218
Receivables from non-exchange transactions		71 173	43 806	43 806	78 164	43 806
Current portion of non-current receivables						
Inventory		82 169	105 427	105 427	79 445	105 427
VAT		5 333	35 960	35 960	40 817	35 960
Other current assets		22 711	32 588	32 588	22 794	32 588
<b>Total current assets</b>		<b>799 221</b>	<b>467 905</b>	<b>467 905</b>	<b>1 069 707</b>	<b>467 905</b>
<b>Non current assets</b>						
Investments		390	289	289	390	289
Investment property		123 200	204 203	204 203	123 200	204 203
Property, plant and equipment		1 804 754	2 895 342	2 883 440	1 849 818	2 883 440
Biological assets						
Living and non-living resources						
Heritage assets		7 754	2 743	2 743	7 754	2 743
Intangible assets		4 359	4 525	4 525	4 359	4 525
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions						
Other non-current assets						
<b>Total non current assets</b>		<b>1 940 457</b>	<b>3 107 101</b>	<b>3 095 200</b>	<b>1 985 521</b>	<b>3 095 200</b>
<b>TOTAL ASSETS</b>		<b>2 739 677</b>	<b>3 575 006</b>	<b>3 563 104</b>	<b>3 055 229</b>	<b>3 563 104</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	(2 121)	(2 121)	(2 666)	(2 121)
Consumer deposits		15 564	14 338	14 338	16 174	14 338
Trade and other payables from exchange transactions		1 761 044	507 185	507 185	1 697 712	507 185
Trade and other payables from non-exchange transactions		6 343	–	–	52 477	–
Provision		184 493	71 434	71 434	184 493	71 434
VAT		7 199	(51 892)	(51 892)	54 364	(51 892)
Other current liabilities		–	–	–	–	–
<b>Total current liabilities</b>		<b>1 974 643</b>	<b>538 944</b>	<b>538 944</b>	<b>2 002 555</b>	<b>538 944</b>
<b>Non current liabilities</b>						
Financial liabilities		9 582	29 047	29 047	9 582	29 047
Provision		143 239	44 419	44 419	143 239	44 419
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		–	–	–	–	–
<b>Total non current liabilities</b>		<b>152 821</b>	<b>73 466</b>	<b>73 466</b>	<b>152 821</b>	<b>73 466</b>
<b>TOTAL LIABILITIES</b>		<b>2 127 465</b>	<b>612 409</b>	<b>612 409</b>	<b>2 155 377</b>	<b>612 409</b>
<b>NET ASSETS</b>		<b>612 213</b>	<b>2 962 597</b>	<b>2 950 695</b>	<b>899 852</b>	<b>2 950 695</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		1 453 965	2 965 980	2 965 980	901 154	2 965 980
Reserves and funds		–	1 351	1 351	–	1 351
Other		–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>1 453 965</b>	<b>2 967 331</b>	<b>2 967 331</b>	<b>901 154</b>	<b>2 967 331</b>

## Annexure A2 - Monthly



National Treasury

**Municipal Debt Relief**

MFMA Circular No. 124

Municipal Finance Management Act No. 56 of 2003

*Free State Provincial Treasury*

**Certificate of Compliance: Municipal Debt Relief Conditions for Application**

Jan '26

**Period**

2025/26

**National Financial Year**

FS201

**Demarcation Code of Municipality being assessed**

**District**

Fezile Dabi

**Demarcation Description**

Moqhaka

I, \_\_\_\_\_, hereby certify that the provincial treasury monitored the compliance against the conditions of Municipal Debt Relief as set-out in **MFMA Circular No. 124** and that the Provincial Treasury is satisfied and certifies that the said municipality fully complies with the conditions as set-out in the table below:

## Municipal Debt Relief Conditions (Monthly Reporting)

Condition	6,3 + 6,12	<b>Maintaining the Eskom and bulk water current account –</b> (current account for the purpose of this exercise means the account for a single month's consumption):	
1	6.12.2	- Has the municipality paid its <b>bulk water current account</b> within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.12.2</i>	<input type="text" value="Does not have function"/>
2	6.12.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal <a href="https://lguploadportal.treasury.gov.za">https://lguploadportal.treasury.gov.za</a> ?	<input type="text" value="Does not have function"/>
3	6.12.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	<input type="text" value="Does not have function"/>
4	6.3.1	- Has the municipality paid its <b>Eskom bulk current account</b> within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.</i>	<input type="text" value="No"/>
5	6.3.2 6.3.3	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal <a href="https://lguploadportal.treasury.gov.za">https://lguploadportal.treasury.gov.za</a> ?	

			Yes
6	6.3.4	- Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	Yes
	6.4	<b>Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)</b>	2025/26 Adopted MTREF
7	6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - <a href="http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx">http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx</a> ?	No
8	6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes
9	6.4.1	- Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes
		<i>Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also property rates). If the municipality merely used the debt impairment to 'balance' the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".</i>	
10	6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes

		<i>Note - If the municipality merely used the depreciation and asset impairment to 'balance' the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as: "No".</i>	
11	6.4.2	- <b>If the municipality's MTREF is not funded</b> , has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?	Yes
		<i>Note - if the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assesses whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i>	
12	6.4.2	- <b>If the municipality's MTREF is not funded and it has an FRP per the legislative framework</b> , does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i>	Yes
13	6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends ( <i>For example higher winter Eskom tariffs, lower January collection rates, etc.?</i> )	Yes
14	6.5	<b>Cost reflective tariffs</b> – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes

	6.6	<b>Electricity and water as collection tools</b> – has the municipality, with effect from the tabling of the 2023/24 MTREF, <i>demonstrated, through its by-laws and budget related policies</i> that:	
15	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes
16	6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes
17	6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? <i>Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.</i>	No
18	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? <i>Note – the municipality’s monthly MFMA s.71 statement must include as part of the narratives the Indigent Information in the required NT format.</i>	Yes
	6.6	<b>Supporting evidence:</b> <i>The National Treasury and/ or provincial treasury’s related budget assessment confirms the municipality’s relevant MTREF’s related budget policies and by-laws demonstrate compliance with paragraph 6.6.</i>	
	6.7	<b>Maintain a minimum average quarterly collection of property rates and services charges –</b>	
19	6.7.1	- Has the municipality achieved a minimum of <i>80 per cent average quarterly collection</i> of property rates and service charges <b>with effect from 01 April 2023</b> and <i>85 per cent average quarterly collection</i> <b>with effect from 01 April 2024</b> during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	

			No
		<i>Note - although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i>	
	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, <b>has the municipality demonstrated to the satisfaction of National Treasury the following :</b>	
20	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool <u>and</u> that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1;	Yes
21	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	Yes
22	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed <u>and</u> the reason(s) for the failure?	Yes
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection <u>and</u> only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	No

24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes
6.8 <b>Municipality's Completeness of the revenue base –</b>			
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <i>Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i>	Na
28	6.8.2	- <b>For the latest ending Quarter</b> -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on <a href="https://lguploadportal.treasury.gov.za">https://lguploadportal.treasury.gov.za</a> ?	Yes
6.9 <b>Monitor and report on implementation –</b>			
29	6.9.1	- <b>MFMA section 71 reporting</b> – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Yes
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the <b>active intervention evident</b> from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i>	

					Yes
31	6.9.3	- <b>Municipalities with financial recovery plans (FRP)</b> – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?			Yes
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal <a href="https://lguploadportal.treasury.gov.za?">https://lguploadportal.treasury.gov.za?</a>			Yes
		<i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i>			
	6.10	<i>Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:</i>			
33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?			Yes
34	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the <b>conditions for provincial treasuries</b> (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal <a href="https://lguploadportal.treasury.gov.za?">https://lguploadportal.treasury.gov.za?</a> <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>			Yes

35	6.10.3	<p>- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the <b>conditions for provincial treasuries</b> (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?</p>	<input type="text" value="Yes"/>
		<p><i>Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i></p>	
36	6.11	<p><b>Limitation on municipality borrowing powers</b> - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?</p>	<input type="text" value="No"/>
		<p><i>Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124: condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new long term loans (entered into after the effective date of debt relief approval) as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the ambit of this condition.</i></p>	
		<p><b>6.12 For the duration of the Municipal Debt Relief (to ensure proper management of resources):</b></p>	
37	6.12.1	<p>- has the municipality <b>apportioned and ring-fenced in a sub-account</b> to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) <b>the component of the</b> Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation?</p>	<input type="text" value="No"/>
38	6.12.2	<p>- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose?</p>	<input type="text" value="No"/>
		<p><i>Note: Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.8(3).</i></p>	

39		<p><b>Supporting evidence:</b> Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.</p>	<input type="text" value="No"/>
40	6.13	<p><b>Accounting Treatment</b> - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date?  <i>Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.</i></p>	<input type="text" value="No"/>
41	6.14	<p>'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?</p>	<input type="text" value="No"/>
		<p><i>Note: By applying for Municipal Debt Relief as set-out in paragraph 3. of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agrees to apply to NERSA to revoke the municipality's license in terms of section 17 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be preceded by the relevant processes for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government's wider support to Eskom, Eskom will once again have to enforce its credit control and debt collection policies also in relation to the municipality's arrears that are the subject of municipal debt relief, etc.</i></p>	

PT: HOD/ NT / MM Name:

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Signature of HOD/ NT/ MM:

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Date:

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*\*\* Note – if the official is signing on behalf of the Head of the Provincial Treasury (HOD) / Municipal Manager, the written procuration of the HOD / MM must be attached as an Annexure to this Certificate of Compliance.*

*\*\*Note – The Signed Certificate to be uploaded on Gomuni must not include comments column - comments need to be incorporated into the related PT report*

## 6.2 Municipal Debt Relief Performance across the period of debt relief participation

There are no comments nor tables or charts to attach.

### -16.3 The National Treasury Debt Relief Compliance Assessment

The latest National Treasury debt relief compliance certificate and non-compliance report issued to the municipality for the month of October 2024 is attached to this S71 report.

Here are the specific conditions that were not fully met in July 2024 according to the monitoring tool:

Condition 17: Restricting the water supply.

Condition 18: Restricting indigent for water and electricity.

Condition 23: No installation of smart prepaid meters.

Condition 24: Smart Meter Policy not yet adopted; and

Condition 26: National Treasury's rates reconciliation

### 16.4 MFMA Circular 124 – Condition 6.6 (Electricity and Water as Collection Tools) & Condition 6.7 (Maintain a minimum average quarterly collection of property rates and services charges)

#### 16.4.1 Monthly / Quarterly collection per ward

National Treasury  
Municipal Debt Relief  
MFMA Circular No. 124  
Municipal Finance Management Act No. 56 of 2003

Municipal Details				
Free State				
Code		District	Municipality	Period Monitored
FS201			Moghaka	July

Collection Rate Assessment																		
Aggregate Collection	Summary - Quarter 1					Q1	Summary - Quarter 2					Q2	Summary - Quarter 3					Q1
	Billing	Collection	R - Billing not collected	% Collection			Billing	Collection	R - Billing not collected	% Collection			Billing	Collection	R - Billing not collected	% Collection		
1.Collection for whole demarcation	234 480 971	144 039 544	90 441 427	61%	61%	222 812 285	145 097 768	77 714 517	65%	65%	164 860 088	41 704 100	123 155 989	25%	25%			
2.Collection <u>excl Eskom supplied areas</u>	174 114 656	114 656 412	59 458 244	66%	66%	166 006 217	115 972 285	50 033 932	70%	70%	121 192 162	32 291 163	88 900 999	27%	27%			
3.Collection: <b>Property Rates</b>	23 794 538	16 571 363	7 223 175	70%	70%	23 871 974	25 578 576	(1 706 602)	107%	107%	16 384 408	8 622 366	7 762 042	53%	53%			
4.Total average collection: <b>Electricity</b> (Municipal supplied areas)	109 169 018	83 189 837	25 979 181	76%	76%	96 563 482	85 498 794	11 064 688	89%	89%	73 933 843	24 032 741	49 901 102	33%	33%			
5.Total average collection: <b>Water</b>	42 127 838	21 006 213	21 121 625	50%	50%	42 576 792	15 813 607	26 763 185	37%	37%	33 097 957	4 085 659	29 012 298	12%	12%			
6.Total average collection: <b>Wastewater</b>	21 375 932	12 837 564	8 538 368	60%	60%	20 963 994	9 757 886	11 206 108	47%	47%	14 333 381	2 661 659	11 671 722	19%	19%			
7.Total average collection: <b>Refuse</b>	15 032 776	8 154 112	6 878 664	54%	54%	15 106 610	6 907 135	8 199 475	46%	46%	10 016 594	1 897 980	8 118 614	19%	19%			
8.Total average collection: <b>Interest</b>	22 980 868	2 280 454	20 700 414	10%	0%	23 729 434	1 541 771	22 187 663	6%	6%	17 093 905	403 694	16 690 211	2%	2%			

# Collection Rate Assessment

Total Aggregate Collection	Summary - Quarter 2				Q2	7.January - Reporting for December in January			8.February
	Billing	Collection	R - Billing not collected	% Collection		Collection in January	R - Billing not collected	% Collection	Billing For January
1.Collection for whole demarcation	222 812 285	145 097 768	77 714 517	65%	65%	41 704 100	41 461 261	50%	82 098 350
2.Collection <u>excl Eskom</u> supplied areas	166 006 217	115 972 285	50 033 932	70%	70%	32 291 163	29 864 872	53%	60 274 337
3.Collection: <b>Property Rates</b>	23 871 974	25 578 576	(1 706 602)	107%	107%	8 622 366	0	105%	8 165 664
4.Total average collection: <b>Electricity</b> (Municipal supplied areas)	96 563 482	85 498 794	11 064 688	89%	89%	24 032 741	11 874 190	67%	38 026 912
5.Total average collection: <b>Water</b>	42 576 792	15 813 607	26 763 185	37%	37%	4 085 659	13 738 618	23%	15 273 680
6.Total average collection: <b>Wastewater</b>	20 963 994	9 757 886	11 206 108	47%	47%	2 661 659	4 516 640	37%	7 155 082
7.Total average collection: <b>Refuse</b>	15 106 610	6 907 135	8 199 475	46%	46%	1 897 980	3 114 822	38%	5 003 792
8. 7.Total average collection: <b>Interest</b>	23 729 434	1 541 771	22 187 663	6%	6%	403 694	8 216 990	5%	8 473 221

## Complete This Section

Quar

Services	Ward Name & Number	7.January				8.February		
		Billing ForDecember	Collection for December in January	Rand Value of Billing not collected	% Collection	Billing For January	Collection for January in February	Rand Value of Billing not collected
<b>Property Rates Tax</b>	1	52 110	106 725	0	205%	52 110		52 110
Electricity		92 379	60 563	31 816	66%	97 818		97 818
Water		238 276	8 001	230 275	3%	243 475		243 475
Refuse		179 381	4 264	175 116	2%	179 381		179 381
Waste Water		234 106	3 631	230 475	2%	234 106		234 106
Interest		361 968	669	361 300	0%	366 443		366 443
<b>Property Rates Tax</b>	2	438 521	322 118	116 402	73%	440 180		440 180
Electricity		1 163 689	277 539	886 150	24%	1 238 598		1 238 598
Water		331 780	76 841	254 938	23%	332 203		332 203
Refuse		157 776	69 793	87 983	44%	158 534		158 534
Waste Water		222 376	94 029	128 347	42%	224 752		224 752
Interest		336 623	52 710	283 913	16%	341 905		341 905
<b>Property Rates Tax</b>	3	1 174 891	1 224 861	0	104%	1 177 840		1 177 840
Electricity		2 902 294	1 914 031	988 263	66%	1 246 894		1 246 894
Water		1 402 790	870 368	532 421	62%	2 015 383		2 015 383
Refuse		415 432	247 770	167 662	60%	413 583		413 583
Waste Water		569 232	318 128	251 104	56%	568 093		568 093
Interest		156 473	26 935	129 537	17%	158 352		158 352

<b>Property Rates Tax</b>		4 004	837	3 167	21%	4 004	4 004
Electricity		91 773	12 117	79 655	13%	93 273	93 273
Water	4	565 908	21 044	544 864	4%	407 993	407 993
Refuse		64 375	10 146	54 228	16%	67 383	67 383
Waste Water		83 857	12 859	70 997	15%	88 269	88 269
Interest		194 597	2 249	192 349	1%	197 108	197 108
<b>Property Rates Tax</b>		3 678	365	3 313	10%	3 715	3 715
Electricity		43 873	8 350	35 524	19%	43 775	43 775
Water	5	495 963	30 080	465 883	6%	369 246	369 246
Refuse		60 203	12 516	47 687	21%	60 142	60 142
Waste Water		77 140	14 533	62 607	19%	76 958	76 958
Interest		155 098	3 434	151 664	2%	154 653	154 653
<b>Property Rates Tax</b>		60 143	159 341	0	265%	60 143	60 143
Electricity		123 213	51 799	71 414	42%	114 022	114 022
Water	6	622 609	61 750	560 859	10%	646 147	646 147
Refuse		103 064	13 238	89 827	13%	101 631	101 631
Waste Water		139 805	13 385	126 420	10%	137 984	137 984
Interest		239 553	2 609	236 944	1%	246 232	246 232
<b>Property Rates Tax</b>		255 263	166 614	88 649	65%	257 518	257 518
Electricity		306 801	66 165	240 635	22%	297 076	297 076
Water	7	647 041	53 764	593 277	8%	420 416	420 416
Refuse		110 777	25 839	84 938	23%	111 534	111 534
Waste Water		146 057	26 336	119 721	18%	145 875	145 875
Interest		319 833	13 834	305 999	4%	250 385	250 385

<b>Property Rates Tax</b>		32 153	37 535	0	117%	32 153	32 153
Electricity		82 475	12 109	70 367	15%	84 335	84 335
Water	8	614 005	42 721	571 284	7%	404 910	404 910
Refuse		87 245	19 261	67 984	22%	91 231	91 231
Waste Water		115 033	23 181	91 852	20%	117 889	117 889
Interest		174 217	4 232	169 985	2%	195 398	195 398
<b>Property Rates Tax</b>		170 403	279 325	0	164%	170 403	170 403
Electricity		1 040 785	171 662	869 123	16%	843 866	843 866
Water	9	615 090	61 781	553 309	10%	604 130	604 130
Refuse		168 815	30 281	138 533	18%	176 243	176 243
Waste Water		249 003	39 018	209 985	16%	258 862	258 862
Interest		285 238	5 642	279 597	2%	301 782	301 782
<b>Property Rates Tax</b>		47 988	46 952	1 035	98%	46 889	46 889
Electricity		134 606	20 819	113 787	15%	122 131	122 131
Water	10	562 003	85 599	476 404	15%	488 310	488 310
Refuse		118 580	35 401	83 178	30%	114 585	114 585
Waste Water		155 196	45 990	109 206	30%	148 764	148 764
Interest		232 068	15 420	216 648	7%	202 349	202 349
<b>Property Rates Tax</b>		367 007	1 022 394	0	279%	367 007	367 007
Electricity		705 414	31 541	673 873	4%	541 208	541 208
Water	11	1 501 137	39 930	1 461 207	3%	1 112 543	1 112 543
Refuse		288 348	18 714	269 634	6%	284 319	284 319
Waste Water		497 380	23 950	473 430	5%	496 371	496 371
Interest		402 970	5 137	397 833	1%	405 455	405 455

<b>Property Rates Tax</b>		94 965	238 466	0	251%	94 965	94 965
Electricity		160 658	68 786	91 872	43%	129 748	129 748
Water	12	959 774	79 370	880 404	8%	488 996	488 996
Refuse		129 848	22 857	106 991	18%	131 441	131 441
Waste Water		181 447	28 023	153 425	15%	179 444	179 444
Interest		308 951	6 384	302 566	2%	308 681	308 681
<b>Property Rates Tax</b>		456 509	405 074	51 435	89%	456 509	456 509
Electricity		13 450 390	10 447 917	3 002 473	78%	17 942 055	17 942 055
Water	13	1 445 589	262 775	1 182 814	18%	1 053 704	1 053 704
Refuse		373 570	149 352	224 218	40%	373 857	373 857
Waste Water		582 261	251 433	330 828	43%	582 625	582 625
Interest		774 027	20 994	753 033	3%	632 060	632 060
<b>Property Rates Tax</b>		62 479	158 793	0	254%	62 494	62 494
Electricity		111 116	52 317	58 799	47%	104 616	104 616
Water	14	464 073	83 351	380 722	18%	253 381	253 381
Refuse		121 903	33 673	88 230	28%	121 760	121 760
Waste Water		165 642	40 784	124 858	25%	165 362	165 362
Interest		258 290	11 446	246 844	4%	261 676	261 676
<b>Property Rates Tax</b>		69 425	148 960	0	215%	69 425	69 425
Electricity		253 848	67 077	186 770	26%	213 631	213 631
Water	15	486 903	93 086	393 817	19%	433 121	433 121
Refuse		138 383	26 909	111 474	19%	133 107	133 107
Waste Water		183 088	28 195	154 893	15%	178 677	178 677
Interest		234 073	4 892	229 182	2%	235 251	235 251

<b>Property Rates Tax</b>		1 672 280	1 583 109	89 171	95%	1 621 624	1 621 624
Electricity		6 171 084	3 020 262	3 150 822	49%	6 125 274	6 125 274
Water	16	1 612 645	988 736	623 909	61%	578 270	578 270
Refuse		781 144	506 788	274 356	65%	764 824	764 824
Waste Water		1 240 542	802 829	437 714	65%	1 208 951	1 208 951
Interest		457 356	130 764	326 592	29%	426 650	426 650
<b>Property Rates Tax</b>		1 558 010	1 192 253	365 756	77%	1 562 253	1 562 253
Electricity		2 721 608	1 967 881	753 727	72%	2 724 377	2 724 377
Water	17	1 161 757	734 963	426 794	63%	1 186 266	1 186 266
Refuse		673 542	457 914	215 628	68%	680 232	680 232
Waste Water		962 522	635 740	326 782	66%	969 739	969 739
Interest		255 222	35 112	220 110	14%	272 532	272 532
<b>Property Rates Tax</b>		625 815	787 997	0	126%	626 203	626 203
Electricity		6 244 645	5 735 644	509 001	92%	5 960 839	5 960 839
Water	18	1 461 885	432 829	1 029 056	30%	1 762 707	1 762 707
Refuse		404 799	194 926	209 874	48%	404 212	404 212
Waste Water		552 744	241 712	311 032	44%	551 872	551 872
Interest		739 684	24 330	715 354	3%	752 299	752 299
<b>Property Rates Tax</b>		27 940	53 483	0	191%	27 940	27 940
Electricity		98	-	98	0%	98	98
Water	19	949 632	4 292	945 340	0%	973 929	973 929
Refuse		134 928	707	134 220	1%	134 928	134 928
Waste Water		176 737	597	176 140	0%	176 737	176 737
Interest		800 514	199	800 315	0%	808 399	808 399

<b>Property Rates Tax</b>		59 426	116 098	0	195%	59 426	59 426
Electricity		14 481	922	13 559	6%	14 481	14 481
Water	20	603 043	12 659	590 384	2%	590 707	590 707
Refuse		168 302	3 474	164 828	2%	169 042	169 042
Waste Water		211 017	3 213	207 804	2%	211 437	211 437
Interest		617 542	1 124	616 419	0%	624 144	624 144
<b>Property Rates Tax</b>		251 365	219 167	32 198	87%	251 390	251 390
Electricity		1 290	-	1 290	0%	1 290	1 290
Water	21	1 030 968	7 364	1 023 604	1%	875 056	875 056
Refuse		324 305	7 610	316 694	2%	324 499	324 499
Waste Water		419 710	3 803	415 907	1%	419 767	419 767
Interest		1 150 437	2 732	1 147 705	0%	1 163 584	1 163 584
<b>Property Rates Tax</b>		734 370	351 897	382 472	48%	721 474	721 474
Electricity		90 409	45 238	45 172	50%	87 507	87 507
Water	22	51 405	34 353	17 052	67%	32 790	32 790
Refuse		8 084	6 545	1 539	81%	7 325	7 325
Waste Water		13 401	10 287	3 114	77%	12 545	12 545
Interest		165 949	32 848	133 101	20%	167 883	167 883

**16.4.2 Monthly - Restriction of Free Basic Services to Indigent Household**



**National Treasury**  
**Municipal Debt Relief**  
**MFMA Circular No. 124**  
**Municipal Finance Management Act No. 56 of 2003**

**Municipal Debt Relief - Monthly Reporting - Indigent Households Information (MFMA Circular 124 (Condition 6.6))**

**Instruction** - complete only with information of the current households registered as indigent with the municipality (Do NOT include the information of all households unless explicitly stated otherwise)

Description	Ref	As Per Debt Relief Application	2025/2026 - Monthly Monitoring										
		Current Year - 2025/2026	Baseline	Adopted Budget	Adjusted Budget	Full Year Forecast	M01	M02	M03	M04	M05	M06	M07
<b>Indigent Household service targets</b>	1												
<i>Water: (Include All Indigent households also in Eskom supplied areas)</i>													
Indigent HH's with piped water inside dwelling		12 711	12 757	-	13 237	13 308	13 354	13 424	13 565	13 682	13 740	13 870	
Indigent HH's with piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-	-	-	
Indigent HH's using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-	-	-	
Indigent HH's with other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-	-	-	
<b>Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total</b>		<b>12 711</b>	<b>12 757</b>	<b>-</b>	<b>13 237</b>	<b>13 308</b>	<b>13 354</b>	<b>13 424</b>	<b>13 565</b>	<b>13 682</b>	<b>13 740</b>	<b>13 870</b>	
Indigent HH's using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-	-	-	
Indigent HH's with other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-	-	-	
Indigent HH's with No water supply		-	-	-	-	-	-	-	-	-	-	-	
<b>Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total number of registered indigent households</b>	5	<b>12 711</b>	<b>12 757</b>	<b>-</b>	<b>13 237</b>	<b>13 308</b>	<b>13 354</b>	<b>13 424</b>	<b>13 565</b>	<b>13 682</b>	<b>13 740</b>	<b>13 870</b>	

<b>Status of Water meters :</b>											
Number of Indigent HH's with prepaid Water	-	-	-	-	-	-	-	-	-	-	-
Number of Indigent HH's with conventional metered Water	10 204	10 231	-	10 483	10 468	10 519	10 586	10 679	10 730	10 794	10 792
Number of Indigent HH's NOT metered currently - Water	1 538	1 607	-	1 700	1 718	1 718	1 723	1 753	1 777	1 780	1 812
Number of Indigent HH's with <b>NO Water supply</b> - No metering	-	-	-	-	-	-	-	-	-	-	-
<b>Total number of registered indigent households</b>	<b>11 742</b>	<b>11 838</b>	-	<b>12 183</b>	<b>12 186</b>	<b>12 237</b>	<b>12 309</b>	<b>12 432</b>	<b>12 507</b>	<b>12 574</b>	<b>12 604</b>
<b>Status of unlimited supply of Water :</b>											
Number of Indigent HH's with <b>conventional metered Water</b> - where the municipality is <b>NOT phycally restricting Water to the national free basic limit of 6 kilolitres per \household per month</b>	12 711	12 757	-	13 237	13 308	13 354	13 424	13 565	13 682	13 740	13 870
Number of Indigent HH's <b>NOT metered</b> currently receiving unlimited supply - Water	1 538	1 607	-	1 700	1 718	1 718	1 723	1 753	1 777	1 780	1 812
<b>Total number of registered indigent households receiving unlimited supply - Water</b>	<b>14 249</b>	<b>14 364</b>	-	<b>14 937</b>	<b>15 026</b>	<b>15 072</b>	<b>15 147</b>	<b>15 318</b>	<b>15 459</b>	<b>15 520</b>	<b>15 682</b>
Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HH's <b>billed for consumption above the 6 kilolitres</b>	12 711	12 757	-	13 237	13 308	13 354	13 424	13 565	13 682	13 740	13 870
<b>Energy : ( Include All Indigent households also in Eskom supplied areas )</b>											
Indigent HH's with Electricity (at least min.service level)	-	-	-	-	-	-	-	-	-	-	-
Indigent HH's with Electricity - prepaid (min.service level)	12 711	12 757	-	13 237	13 308	13 354	13 424	13 565	13 682	13 740	13 870
<b>Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total</b>	<b>12 711</b>	<b>12 757</b>	-	<b>13 237</b>	<b>13 308</b>	<b>13 354</b>	<b>13 424</b>	<b>13 565</b>	<b>13 682</b>	<b>13 740</b>	<b>13 870</b>
Indigent HH's with Electricity (< min.service level)	-	-	-	-	-	-	-	-	-	-	-
Indigent HH's with Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-	-	-
Indigent HH's with other energy sources	-	-	-	-	-	-	-	-	-	-	-
<b>Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total number of registered indigent households</b>	<b>12 711</b>	<b>12 757</b>	-	<b>13 237</b>	<b>13 308</b>	<b>13 354</b>	<b>13 424</b>	<b>13 565</b>	<b>13 682</b>	<b>13 740</b>	<b>13 870</b>

<b>Status of Electricity meters :</b>												
Number of Indigent HH's with prepaid Electricity		12 711	12 757	-	13 237	13 308	13 354	13 424	13 565	13 682	13 740	13 870
Number of Indigent HH's with conventional metered Electricity		-	-	-	-	-	-	-	-	-	-	-
Number of Indigent HH's NOT metered currently - Electricity		-	-	-	-	-	-	-	-	-	-	-
Number of indigent HH's with <i>other energy sources</i> - No metering		-	-	-	-	-	-	-	-	-	-	-
<b>Total number of registered indigent households</b>	12	<b>12 711</b>	<b>12 757</b>	<b>-</b>	<b>13 237</b>	<b>13 308</b>	<b>13 354</b>	<b>13 424</b>	<b>13 565</b>	<b>13 682</b>	<b>13 740</b>	<b>13 870</b>
<b>Status of unlimited supply of Electricity :</b>												
Number of Indigent HH's with <i>conventional metered Electricity</i> - where the municipality is <i>NOT physically restricting Electricity to the national free basic limit of 50kwh per household per month</i>		-	-	-	-	-	-	-	-	-	-	-
Number of Indigent HH's <i>NOT metered</i> currently receiving unlimited supply - Electricity		-	-	-	-	-	-	-	-	-	-	-
<b>Total number of registered indigent households receiving unlimited supply - Electricity</b>		-	-	-	-	-	-	-	-	-	-	-
Of the Total Number of registered indigent households receiving unlimited supply of Electricity - State the Number of HH's <b>billed for consumption above the 50 kwh</b>	13	-	-	-	-	-	-	-	-	-	-	-
<b>Number of ALL Households receiving Free Basic Service (including registered Indigent Households)</b>		7										
Water (6 kilolitres per household per month)		12 711	12 757	-	13 237	13 308	13 354	13 424	13 565	13 682	13 740	13 870
Electricity/other energy (50kwh per household per month)		12 711	12 757	-	13 237	13 308	13 354	13 424	13 565	13 682	13 740	13 870
<b>Cost of Free Basic Services provided to ALL Households in - Formal Settlements (R'000)</b>												
Water (6 kilolitres per household per month)		182	196	-	189	195	193	196	187	194	191	188
Electricity/other energy (50kwh per household per month)		114	124	-	194	196	196	196	196	196	196	195



## References

1. Include services provided by another entity; e.g. Eskom
2. Stand distance  $\leq 200\text{m}$  from dwelling
3. Stand distance  $> 200\text{m}$  from dwelling
4. Borehole, spring, rain-water tank etc.
5. Must agree to total number of **registered indigent households** in municipal area (formal and informal settlements receiving services must be included)
6. Include value of subsidy provided by municipality above provincial subsidy level
7. Show number of households receiving at least these levels of services completely free (formal and informal settlements must be included)
8. Must reflect the cost to the municipality of providing the Free Basic Service (Water and Electricity) to **ALL Households**
9. Reflect the cost of free or subsidised services in excess to the National policy that are not funded from the Free Basic Services component of the Equitable Share
10. The total number of registered HH's reported on rows 19 & 24 must be the same
11. Of the Total number of registered indigents HH's receiving unlimited supply of Water reported on row 27, provide number of these Indigent HH's that are issued with a monthly bill for the consumption above the 6 kilolitres FBS water
12. The total number of registered HH's reported on rows 39 & 44 must be the same
13. Of the Total number of registered indigents HH's receiving unlimited supply of Electricity reported on row 51, provide number of these Indigent HH's that are issued with a monthly bill for consumption above 50 kwh FBS electricity
- 14.(a) Impermissibles on Residential Properties - ( 15000 \* Number of Residential properties ) - *Provide the actual rand value not to be billed*
- 14.(b) Impermissibles on Public Service Infrastructure (PSI) - ( 30% \* Property Market Value \* Number of PSI Properties ) - *Provide the actual rand value not to be billed*
- 15.(a) Free Water to Indigent HH's exceeding the 6 kilolitres FBS water
- 15.(b) Free Water to any HH's *that is not Indigent*
16. If the Municipality provides unlimited free basic water to any indigent and / or any other household , it must also account for the related unlimited sanitation



Votenummer	Description	Curr Mth Exp	Curr Mth Exp	Curr Mth Exp
		Jul	Aug	Sep
31251178950FBZZZZHO	TS_O_M_NG_LOCAL GOV FIN MNG GRANT	-		
31252260380FBP83ZZHO	OS: B&A PROJECT MANAGEMENT	-		
31252260600FBP83ZZHO	OS: CATERING SERVICES	-		
31252270370FBP83ZZHO	C&PS: B&A HUMAN RESOURCES	21 454.68		
31252303300FBP83ZZHO	OC: LEARNERSHIPS & INTERNSHIPS	-		
34052110010FBP83ZZHO	MS: SAL & ALL: BASIC SALARY & WAGES	-		
34052303300FBQ83ZZHO	OC: LEARNERSHIPS & INTERNSHIPS	-		
34056470020FBD70ZZHO	COMPUTERS	-		
34056470020FBD70ZZWM	COMPUTERS	-		
34301025100F6FB5ZZHO	RESIDENTIAL PROPERTIES: DEVELOPED	-		
34301321170F6FB1ZZHO	ELEC SALES: DOMESTI LOW HOME LIGHT 2 20A	-		
35321321170F1FB1ZZWM	ELEC SALES: DOMESTI LOW HOME LIGHT 2 20A	-		
35321321170F2FB1ZZWM	ELEC SALES: DOMESTI LOW HOME LIGHT 2 20A	-		
35321321190F1FB1ZZWM	ELEC SALES: DOMESTIC LOW: PREPAID	-		
35321321200F1FB1ZZWM	ELEC SALES: DOMESTIC HIGH HOME POWER 1	1 095.93		
35321321380F1FB1ZZWM	ELEC: AVAILABILITY CHARGES	754 018.97		
35411324020F1FB4ZZWM	WATER: SALE - CONVENTIONAL	895 724.37		
35411324070F1FB4ZZWM	WATER: AVAILABILITY CHARGES	1 602 948.85		
35441324020F5FB2ZZWM	WATER: SALE - CONVENTIONAL	-		
35511323020F1FB2ZZWM	WASTE WATER MANG: SANITATION CHARGES	1 070 961.51		
35511323060F1FB2ZZWM	WASTE WATER MANG: AVAILABILITY CHARGES	879 520.61		
36621322030F1FB3ZZWM	WASTE MANGEMENT: REFUSE REMOVAL	-		
36621322030F3FB3ZZWM	WASTE MANGEMENT: REFUSE REMOVAL	1 397 508.50		
36621322050F1FB3ZZWM	WASTE MANGEMENT: AVAILABILITY CHARGES	126 217.59		
		6 749 451.01	-	-

7.14%	0.00%	0.00%
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BUDGET 2023-2024 FBS BUDGET	DESCRIPTION	BUDGET	YTD	% USED
31251178950FBZZZZHO	TS_O_M_NG_LOCAL GOV FIN MNG GRANT	-R2 300 000.00	-	0.00%
31252260380FBP83ZZHO	OS: B&A PROJECT MANAGEMENT	R1 400 000.00	-	0.00%
31252260600FBP83ZZHO	OS: CATERING SERVICES	R0.00	-	-
31252270370FBP83ZZHO	C&PS: B&A HUMAN RESOURCES	R400 000.00	21 454.68	-
31252303300FBP83ZZHO	OC: LEARNERSHIPS & INTERNSHIPS	R0.00	-	-
34052110010FBP83ZZHO	MS: SAL & ALL: BASIC SALARY & WAGES	R500 000.00	-	0.00%
34052303300FBQ83ZZHO	OC: LEARNERSHIPS & INTERNSHIPS	R0.00	-	-
34056470020FBD70ZZHO	COMPUTERS	R0.00	-	-
34056470020FBD70ZZWM	COMPUTERS	R0.00	-	-
34301025100F6FB5ZZHO	RESIDENTIAL PROPERTIES: DEVELOPED	R0.00	-	-
34301321170F6FB1ZZHO	ELEC SALES: DOMESTI LOW HOME LIGHT 2 20A	R0.00	-	-
35321321170F1FB1ZZWM	ELEC SALES: DOMESTI LOW HOME LIGHT 2 20A	-R359 928.00	-	-

35321321170F2FB1ZZWM	ELEC SALES: DOMESTI LOW HOME LIGHT 2 20A	R0.00	-	
35321321190F1FB1ZZWM	ELEC SALES: DOMESTIC LOW: PREPAID	R9 931 769.00	-	-
35321321200F1FB1ZZWM	ELEC SALES: DOMESTIC HIGH HOME POWER 1	R43 295.00	095.93	2.53%
35321321380F1FB1ZZWM	ELEC: AVAILABILITY CHARGES	R9 299 258.00	018.97	8.11%
35411324020F1FB4ZZWM	WATER: SALE - CONVENTIONAL	R11 155 234.00	724.37	8.03%
35411324070F1FB4ZZWM	WATER: AVAILABILITY CHARGES	R19 319 248.00	948.85	8.30%
35441324020F5FB2ZZWM	WATER: SALE - CONVENTIONAL	R0.00	-	-
35511323020F1FB2ZZWM	WASTE WATER MANG: SANITATION CHARGES	R14 318 301.00	961.51	7.48%
35511323060F1FB2ZZWM	WASTE WATER MANG: AVAILABILITY CHARGES	R11 564 525.00	520.61	7.61%
36621322030F1FB3ZZWM	WASTE MANGEMENT: REFUSE REMOVAL	R17 620 181.00	-	-
36621322030F3FB3ZZWM	WASTE MANGEMENT: REFUSE REMOVAL	R0.00	508.50	#DIV/0!
36621322050F1FB3ZZWM	WASTE MANGEMENT: AVAILABILITY CHARGES	R1 670 151.00	217.59	7.56%
		R94 562 034.00	R6 749 451.01	7.14%

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**16.5 -MFMA Circular 124 – Condition 6.8 Valuation Roll Reconciliation (Completeness of the revenue base)**

Property Rates Reconciliation	
Province	FS
District	Fedra Debi District
Type	LM
Municipal Name	Molokwa
GV Period	01/01/2023 - 30/09/2023
Financial Year	2023/2024
Reconciliation Period	Quarter 3

**Reconciliation Overview**

High Level Reconciliation						
Property Categories	# of Properties			Market Values		
	GV	MFS	Variance	GV Market Values	MFS Market Values	Variance
Residential	83,212	45,022	11,710	5,267,807,062.00	7,537,478,062.00	1,619,519,360.00
Industrial	295	308	43	320,990,081.00	349,059,000.00	22,589,891.00
Business and Commercial	1,083	1,138	39	969,485,686.00	1,071,543,510.00	132,765,934.00
Agricultural	3,471	3,077	195	5,503,186,750.00	6,880,058,703.00	2,796,772,033.00
Mining	9	13	4	7,370,000.00	95,374,000.00	47,999,000.00
State Owned for Public Purpose	211	158	72	1,251,296,016.00	1,187,032,013.00	64,264,003.00
PSI	237	481	254	17,740,680.00	38,286,901.00	20,546,401.00
PSO	28	279	253	50,880,080.00	251,821,000.00	221,131,920.00
Mult Use	225	-	225	342,280,488.00	-	342,280,488.00
Vacant	470	820	133	38,033,180.00	75,796,800.00	38,763,620.00
POW	254	4	249	199,181,064.00	2,405,000.00	196,776,064.00
Municipal	12,777	668	12,109	2,156,854,068.00	381,058,506.00	1,775,895,562.00
Other	-	-	-	-	-	-
<b>Total</b>	<b>102,000</b>	<b>52,201</b>	<b>25</b>	<b>16,811,102,641.00</b>	<b>16,801,809,445.00</b>	<b>9,293,196.00</b>

Detailed Reconciliation						
Property Categories	Monthly Billing			Quarterly		
	GV	MFS	Variance	GV	MFS	Variance
Residential	2,118,404	2,188,816	99,411	8,365,213.20	8,990,447.70	295,234.50
Industrial	523,130	521,980	1,150	1,949,408.30	1,995,995.20	3,412.80
Business and Commercial	1,575,414	1,671,030	122,421	4,726,242.30	5,000,598.00	367,262.84
Agricultural	919,808	1,026,770	30,960	2,696,423.94	3,076,210.00	92,986.89
Mining	24,262	187,349	162,389	74,866.70	902,048.04	487,155.34
State Owned for Public Purpose	2,960,000	2,477,015	182,187	7,980,008.35	7,433,445.06	548,563.30
PSI	-	1,148	1,148	-	3,444.00	3,444.00
PSO	-	-	-	-	-	-
Mult Use	-	-	-	-	-	-
Vacant	30,984	150,495	111,471	116,901.80	451,385.46	334,413.68
POW	-	-	-	-	-	-
Municipal	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total</b>	<b>R2,819,711.14</b>	<b>R8,233,186.46</b>	<b>R313,476.32</b>	<b>25,759,133.43</b>	<b>24,690,958.16</b>	<b>940,423.95</b>

Prepared By: DINEO MOKOENA Date: 04/10/2023  
 Contact Details: 056 216 9300/6604

Signature: 

Reviewed By: SAMMY THELETSEME Date: 04/10/2023  
 Contact Details: 056 216 9158

Signature: 

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**16.6 MFMA Circular 124 – Condition 6.3 (Maintaining the Eskom bulk current account) and Condition 6.12 (Proper Management of Resources)**

i) Indicated below is the Eskom Bulk current account invoice for October 2024 due and payable during the month of reporting, on or before 3 June 2025.

**16.7 Municipal Debt Relief Monitoring Plan – Progress report**

Indicated in the table below is the monthly progress in terms of the municipal debt relief monitoring.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - June 2024 Comments
<p><b>6.3 Maintaining the Eskom and Water bulk current account – (current account for the purpose of this exercise means the account for a single month’s consumption)</b></p>	<p><b>6.3.1</b> The municipality must monthly pay and maintain its <b>Eskom bulk current account</b> and <b>bulk water current account</b> - Department of Water and Sanitation (DWS), within 30 days of receiving the relevant invoice</p>	<p>Monthly, within 30 days of receiving invoice on or before due date as per the monthly invoice</p>	<p>Proof of payment (which includes, remittance advice, invoice and extract of corresponding bank statement)</p>	<p><b>Compliant - ESKOM</b> The municipality settled R63,149m excl interest of R3,178m on 25 June 2024 on the current ESKOM account for May 2024 amounting to R66,327m. <b>Compliant - DWS</b> No billing was raised for May 2024, due to the servitude (free water quota) allocated to the municipality</p>
	<p><b>6.3.1 (a)</b> At a minimum, pay the monthly debt instalment on 5th of each month as per signed debt agreement with DWS. <b>(b)</b> Pay the monthly debt instalment of R6,700m to Eskom on 15th of each month</p>	<p>Monthly, 5th of each month</p>		<p><b>Non-compliant</b> The municipality had insufficient cash available from operations to settle the debt repayment instalment to DWS of R6m on or before 5th of July 2024, but settled R18,758m on the o/s balance of Dec 2023 acc (R5,108m) and R13,000m on the Feb 2024 acc. And paid R650k, on WRM levies. The municipality settled R6.7m on the payment arrangement of ESKOM on 21 June 2024. The due is the 15th of each month.</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - June 2024 Comments
	6.3.2 Submit the supporting evidence of the bulk Eskom current account payment to the National Treasury, Eskom and DWS, within 1 day of making any such payment	Within 1 day after making payment	Proof of payment and proof of email submission	<b>Compliant</b> Email was sent within one day of payment to ESKOM and DWS.
	6.3.3 Submit the proof of payment to the National Treasury in PDF format via the GoMuni Upload Portal to substantiate that payment was made.	Monthly, within 10 working days after month end	GoMuni Status of Schedule of Revenue Documents Submissions Report	<b>Compliant</b> Proof of Payments made in May 2024 was uploaded onto GoMuni on 6 June 2024. Due date is 14 June 2024.
	6.3.4 - The amount as per the proof of payment must reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom and DWS	Monthly, within 10 working days after month end	Monthly financial data strings	<b>Compliant</b> Transactions as per the ledger reconciles with the monthly datastrings. However minor account payments for Eskom and DWS are posted to the same bulk control votes. Erroneous transactions will be journalised, where applicable. Disclosure issue - the capturing of the current invoice on the system is problematic because it is only received in the new month and captured after month-end closure, resulting in a misalignment between the YTD actual and outstanding creditor amount.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - June 2024 Comments
<b>6.6 Electricity and Water Collection (Demonstration through by-laws and budget related policies)</b>	<b>6.6.1</b> Issue monthly billing and allocate payment received from customers in the following priority order: (1) Property Rates (2) Water (3) Waste Water (4) Refuse Removal and (5) Electricity	Monthly	Monthly billing reconciliation / Financial system generated hierachy allocation report	<b>Compliant</b> Priority of order of allocations was correct on the system. This is a once-off correction that the system will apply when payments are made.
	<b>6.6.2</b> The municipality is disconnecting electricity services and/or blocking the purchasing of pre-paid electricity of any defaulting consumer/property owner	Monthly	Number of disconnected / blocked meters	Prepaid disconnections = 32 351 Conventional disconnections = 338 Total = 32 689
	<b>6.6.3</b> The municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner	Monthly	Number of restricted / interrupted supply	<b>Non-compliant.</b> Transversal Contract for smart meters has been awarded by National Treasury. Supply Chain is in the process of applying to access the transversal tender.
	<b>6.6.4</b> If the defaulting consumer/ property owner is registered as an indigent consumer with the municipality, the monthly supply of electricity and water to that consumer/property owner must be physically restricted to the monthly national basic free electricity and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively.	Monthly	No of indigent consumers	<b>Non-compliant</b> Due to the financial constraints currently faced by many of our Indigent Customers (inability to afford services) we have not implemented the limitation of services in this manner.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - June 2024 Comments
<p><b>6.7 Maintain a minimum average quarterly collection of property rates and services charges</b></p>	<p><b>6.7.1</b> The municipality must strictly enforce its credit control and debt management related policies and achieve a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter. Although the norm and standard for collection rate according to MFMA Circular No. 71 indicates a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm</p>	<p>Monthly (Internal) and Quarterly (Debt Relief)</p>	<p>Collect R10,000 million daily over 22-day period, to achieve an average quarterly collection of 80% (Monthly S71 Revenue Collection Ward Template)</p>	<p><b>Non-Compliant</b>  Monthly S71 Revenue Collection rate per Ward for Property rates and Services only = 62%  Quarterly collection rate per ward = 79%  Municipality's average collection rate = 80% <b>Not achieved</b> Average daily cash collection for May 2024, was R5,889m.</p>
	<p><b>6.7.2</b> If the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality must demonstrate to the satisfaction of the National Treasury the reasons or that –  6.7.2.1 Underperformance directly relates to Eskom Supplied areas  6.7.2.2 Physical restriction and/or limit of supply of water is due to Technical Engineering reason(s)  6.7.2.3 The municipality has attempted to <u>enter into</u> SLA with Eskom for Eskom Supplied Areas and document reason(s) for failure</p>	<p>Quarterly</p>	<p>Monthly S71 Revenue Collection Ward Template</p>	<p><b>Non-Compliant</b>  Quarterly S71 Revenue Collection rate per Ward = 79%  <b>Compliant</b>  Average collection rate = 80%</p>

	<b>6.7.3</b> Install progressively smart prepaid meters in municipal supplied areas (Electricity)	Quarterly	Report on the number of meters installed Annual Target: 8,000 Q1: 1,000 Q2: 2,000 Q3: 3,000 Q4: 2,000 (As per SDBIP)	The municipality applied to National Treasury to partake in the RT29 transversal tender for smart prepaid meters. The municipality also applied for smart meter grant, administered by National Treasury
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<b>MFMA Circular Reference and Focus Areas</b>	<b>Eskom Debt Relief Conditions</b>	<b>Reporting Frequency / Target Dates</b>	<b>Target / Portfolio of Evidence</b>	<b>Reporting period - June 2024 Comments</b>
<b>6.7 Maintain a minimum average quarterly collection of property rates and services charges</b>	<b>6.7.3</b> Install progressively smart prepaid meters in municipal supplied areas (Water)	Quarterly	Report on the number of meters installed Annual Target: 8,000 Q1: 500 Q2: 3,000 Q3: 2,500 Q4: 2,000 (As per SDBIP)	The municipality applied to National Treasury to partake in the RT29 transversal tender for smart prepaid meters.

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	<b>6.7.4</b> All new electricity connections from 2023/24 MTREF must be smart-pre-paid meters	Quarterly	Report on the number of new connections installed with smart prepaid electricity meters	The municipality applied to National Treasury to partake in the RT29 transversal tender for smart prepaid meters.

<b>6.8 Completeness of the revenue base</b>	<b>6.8.1</b> The municipality must demonstrate by completing the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer and demonstrate the steps taken to correct the variances identified; and	Quarterly	GVR Reconciliation & GoMuni Status of Schedule of Revenue Documents Submissions Report	<b>Compliant</b> GVR reconciliation for the 4th quarter was completed Monday, 08 July 2024.
	<b>6.8.2</b> The municipality must submit its completed billing system, GVR and/ or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury			<b>Compliant</b> GVR reconciliation submitted Tuesday, 9 July 2024

<b>MFMA Circular Reference and Focus Areas</b>	<b>Eskom Debt Relief Conditions</b>	<b>Reporting Frequency / Target Dates</b>	<b>Target / Portfolio of Evidence</b>	<b>Reporting period - June 2024 Comments</b>
<b>6.9 Monitor and report on implementation</b>	<b>6.9.1 MFMA section 71 reporting</b> – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Monthly, within 10 working days after month end	Progress report to be included in Monthly S71 Report	<b>Compliant</b> Report included in the monthly S71 report for May 2024
	<b>6.9.2</b> If progress is slow in terms of paragraph 6.9.1, is the <b>active intervention evident</b> from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the <u>mSCOA</u> data string?			
	<b>6.9.3 Municipalities with financial recovery plans (FRP)</b> – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, it must monthly report its progress in implementing its FRP to the Provincial Executive			

6.10 Provincial Treasury's Certification of municipal compliance	6.10 Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA to performed by the relevant PT			
	Executive Management Team (EMT) to review the National Treasury: Local Government Budget Analysis (NT: LGBA) compliance certification for the prior month and take immediate remedial action	Monthly, within 1 days after issue	NT: LGBA Compliance Certification	The municipality received the compliance certificates for May 2024. Management must take remedial actions as per the recommendations made by National Treasury

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - June 2024 Comments
6.12 The municipality for the duration of the Municipal Debt Relief (to ensure proper management of resources)	6.12.1 Open a separate investment account to serve as a sub-account	Once-off	Investment account confirmation	<p><b>Compliant</b></p> <p>A call deposit account to serve as a sub-account was opened on 13 November 2023 with our primary banker. Sub-account account no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No.124</p>

	<p><b>6.12.1</b> must apportion and ring-fence in a sub-account to its primary bank account –</p> <p>(a) all electricity, water and sanitation revenue the municipality collects in any month; and</p> <p>(b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation</p>	<p>Funds to be invested weekly and withdrawn monthly</p>	<p>Investment account and primary bank statement</p>	<p><b>Finalised</b> Daily process developed to identify amounts received per service. EQS portion to be considered on a monthly basis, once subsidies have been allocated on the system.</p> <p><b>Compliant</b> The ESKOM and DWS current accounts were paid directly from the Primary bank account. Investment account statement no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No. 124</p>
<p><b>MFMA Circular Reference and Focus Areas</b></p>	<p><b>Eskom Debt Relief Conditions</b></p>	<p><b>Reporting Frequency / Target Dates</b></p>	<p><b>Target / Portfolio of Evidence</b></p>	<p><b>Reporting period - June 2024 Comments</b></p>
	<p><b>6.12.2</b> must monthly first apply the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it may apply the revenue in the sub-account for any other purpose.</p>	<p>Monthly</p>	<p>Investment account and bank statement and proof of payment aligned to actual receipts</p>	<p><b>Compliant</b> The ESKOM and DWS accounts were paid directly from the Primary bank account. Municipality has a backlog in terms of built-up reserves. Salaries and <u>thirdparty</u> salary payments including commitments to</p>

				requirement difficult to maintain.
	The municipality monthly submit a copy of the bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue	Monthly, within 10 working days after month end	Bank statement and proof of payment aligned to actual receipts	<b>Compliant</b> Investment account statement no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No. 124. Primary bank account statement is uploaded on <u>GoMuni</u> . Revenue received to be aligned to actual payments. Payments made directly from Primary bank account.

